# 

# FINANCIALTIMES

Friday September 2 1988

### World News **Pinochet** says exiles may return to Chile

Chile's President Augusto WASHINGTON has refused Pinochet said that he was allowing all Chilean exiles, officially numbered at about 300, to return home. This would cover leaders
of the elected Marxist Government of President Salvador
Allende, toppled in the 1973
coup, including Ms Hortensia
Bussi, Allende's wife, and Mr
Luis Corvalan, the head of the

Pravda admission Soviet Communist Party news-

paper Pravda called for an overhaul of the country's food industry, reporting shortages and admitting that official consumption figures had been fal-sified. Page 2

Namibia hotel bomb A bomb ripped through the multi-recial Continental Hotel in Windhoek, the Namibian capital, killing two people and injuring 14.

Survivors' ordeal Survivors of a Delta Air Lines jet which crashed during takeoff on Wednesday, killing 13 people, resumed their journey but only after an aborted tak-eoff in an identical Bosing 727 with the same flight number.

Bangladesh floods Millions of Bangladeshis are: stranded by floods that have killed at least 350 and many may die from hunger or dis-ease unless foreign assistance arrives soon. Page 6.

Mandela moved South African nationalist leader Nelson Mandela was discharged from hospital and moved to a clinic. Page 6

ALL COMES COMES

ly and che wat

um lio espetatto

will remain the

US condemns attack The US condemned a bombing attack on Pakistan by aircraft from Afghanistan as a violation of the Geneva peace accords. One man was killed and at least 18 injured in the attack near Peshawar.

Burma chief stays President Maung Maung of Burma rejected calls for the ruling party to relinquish power and set up an interim government before democratic elections. Page 4

Burundi killings Tribal killings in Burundi are spreading to all parts of the central African state, repres tatives of Burundi's Hutu population said.

Papandreou surgery Mr Andreas Papandreou. Greece's Socialist Prime Minis-ter, will undergo surgery in London for a heart condition. the Greek Embassy in the UK said. Page 2

Soviet radar offer The Soviet Union would dismantle a disputed radar com-plex in Siberia if the US agreed to extend the ABM treaty from nine to 10 years, said Mr Vik-tor Karpov, chief Soviet sams

Malay judge quits

The chairman of a Malaysian royal tribunal investigating charges of misconduct against five suspended court judges disqualified himself. Page 6

Strikers rescue chief Strikers at a Budapest optical plant have forced the reinstate ment of their deposed director in the latest of a series of unprecedented work stoppages in Hungary. Page 2

MARKETS

Japan Nikel Average (000)

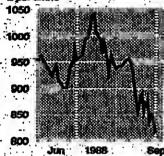
Business Summary

### US refuses to lift tariffs on Japanese products

to lift punitive tariffs imposed last year against selected Japa-nese products in retaliation for alleged Japanese breaches of the 1986 US Japanese Semiconductor Trade Agreement. Page 16

COCOA'S downward spiral on the London futures market took another turn as bearish factors piled up ahead of next

Cocoa Second position futures E per tonne



week's crucial council meeting of the International Cocoa Organisation in London. The December delivery position fell £32 to a seven-year low of £816 a tonne. Page 34

GOODMAN Fielder Wattie, the Australasian food group, part an official, "for sale" sign over its 29.99 per cent stake in UK food company Ranks Hovis McDougall, Page 17 CADBURY SCHWEPPES, UK confectionery and soft drinks group, pleased City of London with pre tax profits of £81.7m

last year. Page 7 LIBERTY LIFE, South African insurance group, is to relin-gelah dinest control of its for-eign interests by hiving them off to First Union General.

for the half year, an increase of 28.5 per cent on same period

Juvestneint Trust (Fugit), a. separately quoted subsidiary. Page 17 drinks group, increased to 2.8

per cent its stake in Irish Distillers, which is the subject of a hostile 19253m (\$211m) bid from Grand Metropolitan of Britain: Page 17.

JOHN ROBB, managing direc-tor of the Beecham group since the boardroom coup of November 1985, resigned. Page 17 TEXACO, the US oil group which is planning to sell its 78 per cent interest in Texaco

Canada, says it will only con-sider offers which also satisfy the public shareholders who -

own the remaining 22 per cent.
Page 18.

CANON, Japanese camera and office equipment maker, reports higher first-half consolidated profits growth than the parent company results pub-lished two weeks ago. Consolidated net income was Y15.9bn (\$116.5m). Page 20

FRENCH Government sold FFr5.1hn (\$800m) of bonds ar its first monthly auction since the recent round of European interest rate rises, which the Bank of France was forced to join. Page 20

PWS Heldings, a troubled medium-sized Lloyd's of Lon-don insurance broker, suffered a further blow with the resignation of its chairman, Mr Ron Peet. Page 17

KMBRAKR, Brazil's stateowned aircraft manufacturer, wants foreign suppliers of com-ponents to invest in the company, as part of a \$50m foreign-financing currently being nego-tiated. Page 18

ESAB of Sweden, world's lead-ing manufacturer of welding equipment, reported a 36 per cent rise in profits (after finan-cial items) to SKr152m (\$23.5m) in first six months from SKr112m a year ago. Page 19

# UN chief says Gulf peace talks are stalled by distrust

UNITED NATIONS talks on

UNITED NATIONS talks on ending the Iran-fraq war fell into disarray yesterday as Mr Javier Perez de Cuellar, the UN Secretary-General, passed responsibility for the negotiations to a special representative and blamed lack of trust between the parties for a complete lack of progress.

Before leaving Geneva for Lisbon where he was due last night on a private visit, Mr Javier Perez de Cuellar, edgy and exhausted, said he had found only two areas of agreement between the Iranian and Iraqi foreign ministers in a week of negotiations. These were that Geneva should be their meeting place and that Mr Jan Rhasson, Swedish ambassador to the UN, should be appointed to continue mediating between them.

He suggested that the negotiations were likely to take years, comparing them with the protracted talks on securing a Soviet withdrawal from Afghanistan.

"It is impossible to build on the hasis of distrust" he said

"It is impossible to build on the besis of distrust", he said with feeling. "Distrust is sand, and you cannot build on sand." Mr Perez de Cuellar insisted his departure did not mean that the negotiations had com-pletely broken down or that fran and fraq would go back to war. Mr Tariq Aziz, fraq's For-eign Minister, and Mr Ali Akbar Velayati, his franian Akbar Velayati, his Iranian counterpart, both plan to stay in Geneva for the time being, although they have not met face to face since last Friday.

The lack of progress represents a considerable setback for the UN in its efforts to build on the fortnight-old Gulf

ceasefue. When he embarked the negotiations, Mr Perez-de Cuellar had hoped at least to secure a timetable for the

A SECOND British diplomat is

to visit Iran later this month, following last month's visit by Mr David Reddaway, which was judged in Whitehall to have been "encouraging."

This time it will be a com-

mercial officer, whose main role, ostensibly, will be to assist British businessmen

attending the Tehran Interna-tional Trade Fair to be held

ptember 18 to 23.

About 50 British companies



Iraqi Junior Foreign Minister Sandoun Hammadi saying in Paris yesterday that Iraq would not discuss withdrawals until arrangements had been made to clear its waterways, and Iranian Foreign Minister Ali-Akbar Velayati (below) calling in Geneva for a global chemical weapons ban.



withdrawal of troops behind the international frontier and the exchange of prisoners of war. Without agreement, hundreds of thousands of troops will continue to confront each other along the border and both sides will continue to

both sides will continue to issue ominous warnings, as have Iranian leaders in recent days, that the eight-year Gulf war is by no means over.

Diplomats put the hlame for yesterday's failure squarely on Iraq, which by pursuing a hard line has caused Iran to drop earlier signs of flexibility. Mr Aziz, concerned that Iran has Aziz, concerned that Iran has already benefited from the truce by resuming normal use of its Gulf ports while Iraq remains to all intents lan-dlocked, wants Iran to stop searching Iraqi shipping in the Gulf.

Guif.
Iraqi officials say Baghdad is
also anxious to obtain cast-iron
assurances that Iran will not
bold up an eventual operation
to clear the disputed Shatt alArab waterway while the disagreement between the two
convirties over where their countries over where their sonthern border should be drawn is resolved.

Mr Velayati argues that international law gives Iran the right to search shipping while a formal state of belliger-ency exists and that the Shatt cannot be cleared while the dispute over sovereignty continues. UN officials said Mr Perez de

UN officials said for Perez de Cuellar was unlikely to return to the negotiations this week-end. Diplomats added that there was no chance of further action by the UN Security Council

Under Mr Eliasson the talks are likely to have a lower political profile. The new mediator knows the Iran-Iraq conflict well, having been a senior aide to the late Swedish Prime Min-ister Olof Palme, who acted as UN special representative or the war in the early 1980s.

### Second UK envoy to visit Iran

will be represented at the nies are in danger of being Trade Fair, which reflects the strong British interest in resuming ties with a country which had been a very signifi-cant market for British goods and services. Tehran is now seeking equipment, expertise and technology from a wide range of countries as it embarks on a phase of postwar In the race to secure some of these contracts, British compa-

handicapped by the absence of British government representa-tion in Tehran, in marked contrast to other West European

countries. France, like Britain, had effectively severed rela-tions with Iran last year when French and British diplomats in Iran suffered reprisals for action taken in France and Britain against Iranians who claimed diplomatic privilege Continued on Page 16

D 8523 A

August 1988

### Sterling fall leads to Bank intervention

By Simon Holberton, **Economics Staff** 

THE BANK of England intervened in the London foreign exchange market late yes terday after sterling faced a bout of heavy selling and fell

The initial intervention in London was successful in par-tially reversing the pound's losses — it fell more than 3 plennigs and 1% cents in the

plennings and 1½ cents in the space of two hours' active trading – but sterling continued to slip in New York.

By midsession in New York the pound was trading at around DM3.1250 and \$1.6670. In London, on Wednesday the pound closed at DM3.1625 and \$1.6840.

The suddenness of sterling's fall took dealers and analysts by surprise, but sterling had been seen as being vulnerable to selling since last Thursday's trade figures.

The pound's steep fall unset-

the pound's steep tall unser-fied the UK Government bond market where yields on long-dated gilt-edged securities closed above 10 per cent. It afforded little comfort to the equity market already nervous after a steep fall in Tokyo

after a steep fall in Tokyo share prices and a poor opening on Wall Street.

The FT.SE 100 Share Index closed 23.1 lower at 1,730.5 and the FT Ordinary Share Index closed 17.8 lower at 1,391.6. By mid-session in New York, the Dow Jones Industrial Average was 28.63 lower at 2,003.02. 28.63 lower at 2,003.02.

UK financial markets were further unsettled yesterday by analysts' forecasts for the growth in M0, the narrow measure of money which the Treasury targets, in August. The Treasury's target of 1 per cent to 5 per cent annual growth has been exceeded every month this financial year. M0 measures mostly notes and coins in circulation and

details on the largest compo-nent of that, bank notes, are available from the Bank

### Unctad urges Third World debt write-off

COMMERCIAL BANKS should write off 30 per cent of the debt owed to them by the world's 15 most heavily indehted coun-tries, the United Nations Con-ference on Trade and Develop-ment proposes in its annual report published today.

will be impossible for the banks' main debtors to hreak out of their vicious circle of over-indebtedness and stagna-

since Mr James Baker, US Treasury Secretary, launched the industrial nations' new debt strategy in 1985, the Unc-tad report claims.

The 15 most heavily indebted countries are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Ivory Coast, Mexico,

tions between creditors and debtors and protected the international banking system, it has yielded no improvement in the main deht indicators,

Unctad charges.

With secondary market prices for developing country debt showing steeply rising discounts, the market's own evaluation is that the risks of default are high light. default are high, Unctad

argues. Even the debt of countries

Unctad, a forum for dialogue between the Third World and the industrialised nations and long regarded as one of the most radical of the international organisations, is the first

such group to call for sweeping debt relief on this scale.

Mr Kenneth Dadzie, Unctad secretary-general, says that without a significant scaling down of creditors' claims it will be impossible for the

The risk to the international banking system of defaults has increased rather than lessened

Morocco, Nigeria, Peru, the Philippines, Uruguay, Vene-zuela and Yugoslavia. While the Baker plan has prevented a breakdown in rela-

such as Argentina, Brazil and Mexico, claimed to be fully sol-vent, is selling for less than

A concerted, once-for-all reduction of the debt is now needed to release foreign exchange and allow developing country imports, investment and output to be raised perma-nently to higher levels, Unctad

It considers a 30 per cent cut in commercial bank debt to be the minimum necessary to enable the 15 countries to hreak out of their foreign

exchange constraints.

The commercial banks have greatly reduced their exposure rates and increased their provisions. They were now in a posi-tion - with the help of bank regulators - to absorb the debt

regulators — to absorb the debt relief required, Mr Dadzie said.

The debt reduction would be complemented by fresh lending from multilateral agencies. New "mechanisms" would link more directly the debt relief with the developing countries' own growth and adjustment efforts.

Unctad recognises that its proposal calls for a fundamental change in perceptions by commercial bankers, who fear they could be pushed down a slippery slope of repeated con-cessions if they allow the sanctity of contractual commit-ments to be hreached. The UN organisation argues,

however, that a debt reduction would reduce the credit risk on the remaining debt and raise prices on secondary markets.

If US banks were to cancel 30 per cent of their claims on the 15 countries, they would collectively lose about 24 per cent of their total developing country portfolio – less than the avergrap 25 20 per cent level of me age 25-30 per cent level of provisions for their Third World loans, Unctad points out.

### EC farm policy attacked

mon Agricultural Policy (CAP) is called for by Britain's National Consumer Council, a government-appointed consumer organisation, reports Our Agriculture Correspon-

The council, in a report commissioned by the Government in late 1986, envisages a return to free trade, with farmers being compensated where necessary through direct income

RADICAL REFORM of the European Community's Comtective import duties applied to many non-EC farm products, and calls for more integrated rural development, more environmentally friendly farming and the formation of longer

term plans for farm reform. However, it concludes that fundamental CAP reform is not possible without fundamental reform of Community decision-making. Analysis, Page 10; Editorial comment, Page 14

### BP to spread mining risks by floating 15% of gold arm

reconstruction.

By Kenneth Gooding, Mining Correspondent, in London

BRITISH PETROLEUM is to float 15 per cent of its gold mining subsidiary on the New York Stock Exchange later this month on terms which value the whole company at more

than \$1.2bm.

Most of the oil group's gold mining assets have been injected into EP Gold, which this year will produce about 335,000 troy ounces of gold.

EP is to offer 11.25m EP Gold shares at between \$16 and \$18 each. Half the shares have been reserved for North America and the rest will he sold

as part of its current asset disposal programme to reduce debt but as a typical minerals industry action to spread some of the risks that mining At the same time, it should

and gas.

BP Gold has proven and probable reserves containing 23.6m troy ounces of gold which it believes are the sec-ond-largest known reserves in the North American industry after Newmont Gold. Newmont has declared reserves of 30m ounces and currently has a market value of about \$4.5bn.

BP Gold's portfolio includes the gold from the group's Bingham Canyon copper mine in Utah. Its sister company, BP Minerals America, will conminerals America, will continue to own Bingham Canyon but will sell mineral to BP Gold at \$196 an ounce in the case of refined bullion or \$193 an ounce for gold contained in other materials. That compares with the present mether wiles. with the present market price of the precious metal of about \$430 an ounce. These prices will be indexed to increases in the US Producer Price Index

in the US are also owned by BP Gold but mines in South Africa and Canada are excluded.

The potential jewel in BP Gold's crown and a mine which could catapult the com-pany into the first division of world gold producers is Lihir Island in Papua New Guinea.

BP says in its draft prospec-tus that Libir could be produc-ing 685,000 ounces of gold a year by 1993, of which 20 per cent would probably be owned by the PNG Government. This would take BP Gold's total annual output to over 1m It stresses, however, that

there can be no assurance that it will decide to proceed with the Libir project and that a \$60m feasibility study will not be completed until next year. Salomon Brothers is sole manager of the US underwriting group for the issue. Elsewhere in the world, N. M. Rothschild is lead manager

ica and the rest will be sold outside that region. The group sees the move not

draw investors' attention to the value of BP Minerals International, which brings together the group's mineral

The BP group interests in three producing gold mines and three development projects with Salomon as co-lead.

Soviet Unions Joint ventures will be a long

Technology: "Big Science" scans a galaxy of potential . Editorial comments Martian view of the CAP; Training the unemployed .... Lombards Divest, diversity or die ...

Less Markets; RHM; WPP; Cadbury; and Bee-

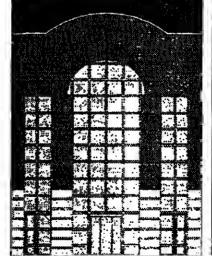
Kents Survey ... Financial Futures. Raw Materials Stock Markets -Wall Street -London ..... A N N O U N C E M E N T

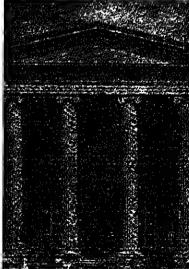
### CAPABILITY GREEN LUTON HOO · REDFORDSHIRE



Barclays Bank, Nacanco and Anritsu are establishing their respective regional,

national, and European headquarters at Capability Green, the Luton Hoo Estate's 900,000 sq ft business park.





In addition we are pleased to announce the availability of 500 Capability Green providing 78,000 sq ft of new air conditioned offices in suites of 13,000 sq ft upwards.



. . .

close 12% (12%) \$438.7 (439.9)

Treasury Bills - DM1.874 (1.8775) FFr6.37 (6.3775) Bond: 981, SFr1,5815 (1.585) Y136.4 (136.5) BOLD New York

Jul 1988 Sep

\$1,6890 (1,6845) i andar \$1.6735 (1.684) DMS.135 (3.1625) FF(10.66 (10.74) SFr2.6475 (2.67) Y228.25 (229.75) DOLLAR New York Ch DM1.8730 (1.8775) FFr6.3670 (6.373) deral Funds 81c Y136.32 (136.5)

New York close:

New York close: Dow Jones Ind. Av. 2,002.31 (-29.34) 8&P Comp 258.52 (-3.0) FT-8E 199 1,730.5 (-23.1) 121.58 (Wed) 26,934.26 (-431.69)

STOCK INDICES

1.454.5 (-18.8) OIL. Breat 15-day (Argus): \$14.256 (-0.27) West Tex Crude \$15.125 (-0,2)

Yassir Arafat faces a testing me over PLO's future. The PLO chairman has

interests apart from oil, coal



CONTENTS

embarked on a flurry of diplomatic action to seek support for a provisional Palestine government. He faces significant obstacles as well as scepticism in both Western and Arab circles Page 6

vis-Review World Gui

Type I

### US 'trying to withdraw from' **ABM** treaty

By Andrew Gowers in Geneva

last night that the US was try-ing to create a pretext for withdrawing from the 1972 Anti-Balliatic Missile Treaty, a development which it aaid could have serious implica-tions for US-Soviet relations.

Mr Viktor Karpov, director of disarmament at the Soviet Foreign Ministry, told e news conference in Geneva that any unilateral action on the ABM Treaty hy the US would be "inadmissible", and would show that Washington was "not really interested in having an accord on strategic offensive arms."

He was responding to an American threat on Wednesday after a five-yearly review of the ABM Treaty by the two sides, to declare the Soviet Union's uncompleted Krasnoy-arsk radar station in Siberia a 'material breach" of the treaty.

This would leave the US free to make a "proportionate and appropriate response" - implying a possible repudiation of the 1972 accord, which would then give the US a free hand in testing and deploying its "Star Wars" (Strategic Defence Ini-

Although the ABM review eems to have turned into a slanging match hetween Moscow and Washington about reciprocal violations of the treaty, the Soviet official was

careful not to threaten a fur-ther escalation. He did not say that the Soviet Union, which says it ordered a one-year freeze in construction work on the Krasnoyarsk site last October, would resume building He also said the two sides had held informal discussions.

he also said the two sides had held informal discussions on "certain details" of a previous Soviet proposal to dismantle the equipment at Krasnoyarsk in exchange for a US pledge to respect the ABM Treaty for nine or 10 more

The ABM Treaty bans the development of nationwide ballistic missile defences. The Soviet Union believes that a US radar installation at Thule in Greenland and a station at

Fylingdales in Britzin are also violations.
Significantly, he did not cri-ticise Washington's declaration on Wednesday that the Kras-noyarsk station would make it impossible to conclude an accord on strategic arms or space defence systems, saying that it should still be possible to negotiate a Strategic Arms Reduction Treaty within two

or three months.

The two issues, he said, were "organically linked", implying that Moscow is trying to use Krasnoyarsk as a hargaining chip to ensure full US respect for the ABM Treaty and restraint over Star Wars.

### Paris sets conditions for launch of TV satellite

By George Graham in Paris

FRANCE has decided to go ahead with the launch of its controversial TDF1 direct broadcasting satellite, but only on condition that the participants in the project come up with a solution for the second phase TDF2 satellite within one month

At the same time, the French Government has resolved a long battle between the French telecommunications authority, France Telecom, and TDF, which handles broadcasting within France and is the current operator of the satellite project. France Telecom will take a stake in TDF, which is company status, and will thereby take control of all France's satellite programmes.

The Government, in an unusually angry public statement, described the state of the TDF1 and 2 satellite programme as "perfectly loath-some," adding that FFr2bn (\$317m) of public money had already heen spent over the past 10 years "without the slightest certainty that the whole programme would be completed and without ensur-ing the financing needed to

carry it through."
TDF1 is booked on a flight of the European Ariane rocket and has already been sent to the launching site of Kourou in French Guyana. However, so far it has only one committed

channel for radio broadcasts. Other French television stations have baulked at the price demanded for TDF1's three

remaining channels.

Mr Paul Quiles, Minister for Space and Telecommunications, suggested yesterday the three channels might be allotted to "quality thematic stations."

The failure of the West German TVSat1 satellite may bring more demand for channels, but has also increased the insistence of broadcasters on the launch of the TDF2 satellite as a back-up.

The previous Government

had agreed to finance TDF1 on condition that TDF2 was privately funded, but FFr1.4hn still required has proved hard to find. The French Government has

made clear its desire to get the TDF programme off the ground to give a boost to the D2Mac high definition television standard. If this atandard gains acceptance, it will give an edge to European television mann-

facturers.

The TDF satellites will broadcaat at high power so that customers will have to pay less for the relatively small receiving dishes required. Since their conception 10 years are however satellite design ago, however, satellite design has moved on and they have been widely criticised for being less effective than, for examtelevision broadcaster, the state cultural channel La Sept, plus the West German Bundes-post which has booked another less effective than, for exam-ple, the Astra satellite, which offers more channels although at lower power.

### Yugoslav leadership gives warning on ethnic tension

By Judy Dempsey in Vienna

YUGOSLAVIA'S Communiat Party leadership has described the political situation in the autonomous province of Kosovo as "worsening daily" following recent demonstrations by Serbs there and in the northern province of Vojvo-

More than 10,000 Serbs protested in Pristina, Kosovo's capital, on Tuesday against alleged intimidation of the Serhian community by ethnic Albanians. They also staged a small demonstration in Nova Pazova in Vojvodina after the police had apparently arrested a Serb involved in recent nationalist demonstrations.

Both provinces are constitu-

tionally linked to the Republic of Serhia, whose Communist party is headed by Mr Slo-bodan Milosevic.

He has given his backing to the recent spate of demonstra-tions, of which several more are planned over the next few

weight hehind proposed amendments to the constitution which are seen as exacer-bating the ethnic and national-

ist tensions.

The amendments, if passed, would reduce the antonomy and the powers of Kosovo and Vojvodina. These powers which include foreign policy, the judiciary and security, would be ceded to Serbia. Both the two Provinces and some other Republics, most notably Slovenia and Croatia, object to the amendmenta on the grounda that Serbia will assume greater dominance in the Federation.

### **Hungary strike concession**

By Leslie Colltt in Berlin

STRIKING WORKERS at a Budapest optical plant have forced the reinstatement of their deposed director in the latest of a series of unprecedented work stoppages in Hun-

gary.
A survey published recently in the government newspaper Magyar Hirlap showed that two-thirds of those polled expected more strikes in reaction to the Government's austerity and economic reform

These provide for the closure of unprofitable companies, the shedding of labour on a large scale and other rationalisation measures.

The strikes began on August 23 when 150 miners in the Mec-sek coalfield in Pecs halted work in protest at the effect on their bonnses of the personal income tax system introduced

The Government subsequently agreed to pay bonuses at the same level as last year. Printers went out on strike last Monday in Gyomaendrod in protest at planned changes in management.

### Palme murder inquiry report attacks ex-minister

By Sara Webb in Stockholm

SWEDEN'S former Justice Minister, Mrs Anna-Greta Leijon, who resigned in June over her handling of the Olof Palme murder investigation, violated the country's constitutional law, according to a draft report by the all-party Constitutional

With only two weeks to go before the general election, the committee – the highest body empowered to investigate the conduct of ministers –

Nato's arms

THE FORMER West German Chancellor, Mr Willy Brandt, warned yesterday that Nato hesitation over Soviet disarmament offers had raised donbts about the Western commitment to ending the arms

He told the third day of

Social Democratic Party's con-ference: "I find it untenable that Nato shows helplessness

and perhaps unwillingness to respond quickly and in a spirit of co-operation to the compre-hensive, serious arms reduc-tions offers made by the lead-ing power in the east hiot."

The SPD claims its own

approach to common security in Europe was picked up by others and provided the inspi-ration behind the INF treaty. The conference also demanded

that low-level military flights above West Germany be stopped and that military air shows be permanently banned.

Yesterday's conference also

expressed some scepticism

about the new ideas of Mr Oskar La Fontaine, spelt out in Wednesday's debate on the

Mr La Fontaine received only 68 per cent of delegates' votes when re-elected to his

position as one of the two SPD

deputy chairmen. Mr Hans-Jochen Vogel, party chairman, received 98 per cent support, and Mr Johannes Rau, the other deputy chairman, 92 per

The very high votes for the

degree of party unity, spoilt

Mr La Foutaine and the trade

Wage and price

freeze in Iceland

ICELAND'S centre-right Government yesterday froze

prices and wages as part of an emergency anti-inflation pack-age, Reuter reports from Rey-kjavik.

The Government ordered banks to cut interest rates,

with the rate on bank loans

cut from 40 per cent to 30 per cent. Inflation in Iceland is

about 25 per cent a year and a political issne where memories of the early 1980s when it hit 130 per cent. Workers will not receive a 2.5 per cent indexation rise they should heve

been paid this month.

unions.

policy

in Münster

By David Goodhart

dal surrounding Mrs Leijon. Since her resignation, she

has been put at the forefront of the Social Democrat's election campaign (and has succeeded in drawing the crowds, many out of curiosity) even though opinion polls suggest she may be detrimental to the party's standing.

The report said Mrs Letjon had not acted with the "solicitude and carefulness incum-

to party allegiances in drawing bent upon her as a minister its conclusions about the scan when she wrote a letter of when she wrote a letter of recommendation for her friend Mr Ebbe Carlsson to request information about the murder from the British intelligence services. The former Prime ruary 1986, and since then the police investigation into his

murder has lurched from scandal to scandal. Mrs Leijon "cannot escape criticism", the committee stated in a 400-page draft report into the so-called Ebbe Carlsson affair, adding that her decision to write a letter personally authorising a private investigation "was in conflict with . the constitution."

The scandal over Mrs Lei-

Ine scandar over Mrs Lei-jon's handling of the investiga-tion erupted at the beginning of June and has since played into the hands of the opposi-tion parties, putting the Social Democratic Government on the defensive over its role.

When Prime Minister Ingvar

Carlsson announced her resigcarisson amounced her resig-nation in June, he promised that she would return after the election with one of the top ministerial posts, a promise which he has stihbornly defended throughout the elec-tion campaign

the committee's investigation, leading political analysts to question its authority. The Social Democrats were unani-mous in toning down their criticism of the former minister, who did her utmost to solve her Prime Minister'a assassina-

tion.
In separate statements, the non-Socialist members criticised Mr Carleson for his ised Mr Carisson for his hands off style of government, saying he should not have encouraged Mrs Leijon to continue her secret meetings with Mr Ebbe Carisson. They also accused Mrs Leijon of Interfering in the official Palme murder hunt,

### Hopes fade for European car sales record **Brandt** warns over

WESTERN EUROPE'S record new car sales boom showed signs of running out of steam in July for the second mouth in a row. If the current rate of slowdown continues, predictions in some parts of the industry that last year's record of 12.4m units will be broken are unlikely to be realised.

Total sales last month fell by

2.7 per cent, to 992,147, com-pared with a year ago. Sales were still up 4.8 per cent in the year'a first seven months at a record 7.85m. But this compares with growth in the first half of 5.1 per cent, while up to the end of May the market had been up 5.4 per cent

July saw the hopes of the Volkswagen group - which taken by VW includes Andi and Seat of half, Fiat's least Spain - of retaining the West ning to widen.

RELIEF agencies such as

Unicef and the Turkish Red

Crescent yesterday offered help to the Turkish Government in

honsing and feeding Iraql

Kurdish refugees, who number up to 150,000.

Mr Turgut Ozal, the Prime Minister, said yesterday on television and radio that Tur-

key would do everything possi-

ble to help the refugees cross-ing the horder before the

advancing Iraqi fifth army for

northern Iraq.
Mr Ozal said the Turkish
Government would act out of a

debt to humanity. However,

European car market leaderahip this year fade further. Sales of VW cars were down 8.7 per cent, reducing the group's market share to 15.8 per cent for the month, down from 16.9 per cent last year, and to 14.7 per cent for the year to date, down from 15.2 per cent last

year.
In contrast, the arrival of the Tipo hatchback helped drive Fiat's share up further to 16.8 per cent in July, a full percentage point higher than in the same month last year, and to 15.7 per cent in the year to date. date, up from 15.3 per cent a year ago. So whereas at this time last year Fiat was leading the market, only to be over-taken by VW in the second half, Fiat'a lead is now begin-

tional law to accept the refu-

According to Mr Ozal yester-day, the refugees on Turkish territory numbered around.

60,000. Reports on the spot put the numbers much higher - be-

In spite of the official state-

ments, the refugees appear to be settling in for a long stay. Most have come across the bor-der between the towns of Ulu-

dere and Cukurca, where some

food scarcities have already

tween 100,000 and 150,000.

being helped by the growing resurgence of Alfa Romeo, which Fiat acquired at the start of last year and whose sales are up by 14.4 per cent in the first seven months.

Meanwhile, the Peugeot group of France, which includes Circoen, hung on to its third place in July, with e share for the month of 13 percent, up from 12.2 last year. Renault was fourth, with 11.5 percent (mel/Vauxhall fifth per cent. Opel/Vauxhall fifth with 10.2, trailed by Ford, whose share fell into single figures (9.8 per cent) for the first time in some years.

It is not being helped by poor performance of its executive car, the Scorpio/Granada, sales of which are nearly 37 per cent

regional capital of Diyarbaku.
He is scheduled to make an inspection today of the border.
The refugees are being looked after by units of the civilian provincial government at Hakkari rather than the

security forces themselves.
Yesterday the Turkish Government asked for help from the Moslem Red Crescent,

which said it would send tents, blankets, and portable kitch-ens. The Turkish Health Minis-

try promised to supply medi-cine and baby food, together with more doctors and medical

down in the first seven months compared with a year ago.

In percentage terms, much the most rapid sales growth is being enjoyed by cars imported from the US by General Motors and Ford. GM's sales of USbuilt cars rose 96 per cent in the first seven months to 5,043 units and Ford'a 44.5 per cent to 2,481. While such imports are very small numerically, the growth rate underlines the intentions of the US multinationals to export many more US-built cars to Europe as a result of the dollar's relative

The share of the West European market taken by Japanese manufacturers fell slightly again last month, to 10.3 per cent from 10.8.

some guerrillas hava crossed

with them. These have given up their arms to the Turkish border guards, according to

local press reports.

The Iraqi forces are still engaged in fierce fighting against both the forces of the Kurdish Democratic Party, led by Mr Masoud Barzani, which the hornest against the horder.

is hemmed against the border, and the Patriotic Union of Kur-

and the rations of Authors, led by Mr Jalal Tala-bani, fighting further south. The latter has in the past had meetings with Mr Ahmed Oca-

lan, leader of the Marxist Kurd-

ish Workers Party, which itself is engaged in a brutal struggle

weakness against European

Political analysts say the continued shortages after three years of perestroiks could undermine public support for the restructuring programme.
Shoppers travel hundreds of
miles to the better-supplied

Moscow shops were "stormed by customers." "We have to change the system of allocation of resources, it said. "The existing system does not stimulate the collec-

duction." Both the quantity and quality of food in heavily-subsidised state shops has deterio-rated, forcing people to turn to the small but growing number of private markets and co-oper-

For years it has been reported that Soviet citizens consumed an average 141 lb of meat a year, but Pravda said government investigations had found it was not true. "The figstagnation, and earlier when we threw dust into the people's eyes and tried to show them how well off they were."

A 4 per cent increase in meat production to 12m tonnes in the first six months of the year produced little change, Pravda said, noting official figures included large amounts of fat

In fact, figures showed meat consumption by the poorest 43m people (around a seventh of the population) had fallen 30-35 per cent since 1970, it

• The Soviet Communist Party's youth hranch, Komsomol, under fire in recent months for stuffness out of keeping with the Kremlin's

### **Papandreou** to have

THE GREEK Prime Minister, Mr Andreas Papandreou, 69, is about to undergo heart surgery in a London hospital, the Greek embassy said yesterday. A spokesman said the socialist Premier is suffering from narrowing of the social which carrowing of the social surgery. rowing of the aorta, which car-ries blood from the heart.

and the operation will be a rol-tine one. It will probably take place on Monday at St Thom-as's Hospital in London, where Mr Papandreon has been undergoing tests for a week. It is unclear how long he will be in hospital, but his illness has effectively ended specula-tion of a early general election in the autumn. An election is in the autumn. An election is scheduled to be held by next June hut Mr Papandreon was understood to be weighing the advantages of going to the polls by the end of the year.

FINANCIAL TIMES

Published by the Financial Times (Burope) Ltd., Frankfurt Branch, represented by E.Hugo, Frankfurt/Main, and, as members of the Board of Directors. F. Barlow, R.A.F. McClean, C.T.S. Damer, M.C. Gorman, D.E.P. Falmer, London, Printer: Frankfurter Societacts-Druckerel-GmbH, Frankfurt/ Main, Responsible editor: G.D. Owen, Financial Times, Branken House, Canon Street, London ECSP 4BY, 6 The Financial Times, Ltd., 1988.

### been reported. The Turkish Government was looking first to the security of the refugees, and then to their medical, food and staff. The ministry plans to set up camps for around 10,000 ref-Turkish officials repeated that Ankara regards their stay as with security forces inside Turugees each. Most of the fleeing Iraqi Kurds are women and chil-dren, the aged and infirm, but purely temporary, Earlier this week they had said Turkey had no obligations under internahousing needs, said Turkish key seeking a separate state for the country's own 8m-strong Kurdish minority. Interior Minister Mustafa Kalemli in the south-east's

Turkey offered help for Kurdish refugees

Paris steps up search for Rafale partners

Mr La Fontaine's heretical ideas may have reduced his chances of leading the party into the elections of 1990 or 1994. The decision on the THE NEW French Government is actively pursuing negotia-tions with Spain and Belgium, in the hope of persuading them chancellor candidate for the to participate in France's Rafale advanced fighter projnext election will not be made until a few months before that

Mr Jean-Pierre Chevenement, the French Defence Min-ister, held discussions with his Belgian counterpart before the summer holidays. But the negotiations are mainly being conducted at the highest political level hy Prime Minister Michel Rocard himself.
The latter is deeply commit-

ted to the general principle of greater European co-operation in defence procurement. In the case of the Rafale, in particu-lar, the Government bitterly regrets the hreakdown in 1985 of the multinational negotia-tions for a single European advanced fighter, and believes that some alternative form of international co-operation will he necessary to ensure the long-term future of the Das-sault aircraft manufacturer,

which is prime contractor for been estimated at FFr35bn, and the agreement for full developthe project. Spain has been expected to

be a partner in the rival fournation European Fighter Aircraft (EFA) project, which emerged from the 1985 negotiations. But while Britain, West Germany and Italy have now in effect given the go-ahead to the EFA, Spain is not yet com-

mitted irrevocably.

The Rafale project was formally launched by the previous Conservative French Government in April, just before the presidential election, with a FFr7bn (2660m) prototype development contract with Dassault, and a FFr7bn jet engine development contract

with Snecma.
At the tima the Government claimed that the contracts were an earnest of its "irreversible commitment" to the project. But doubts lingered whether France could, or should, afford a go-it-alone advanced fighter project. Its total development cost has

sergeant ordering the Wal-loons, among his troops, to the left, the Flemish to the right,

its production cost for 330 fighters at FFr142bn. Mr Andre Graud, the previous Defence Minister, described these esti-mates as "criminal", but did not offer lower alternatives of its own.

The participation of Spain or Belgium would help spread development costs. But as a fall-back, the Government is also exploring co-operation on components of the two European projects. The most promising option, in the Govern-ment's view, would be some form of co-operation on

engines.

Mr Rocard's personal involvement is taken to be a symptom of the gravity of his Government's assessment of the outlook for Dassault.

David White, Defence Correspondent, adds: The UK, West Germany and Halv are still

Germany and Italy are still proceeding on the assumption that Spain will fulfil its 13 per cent share in the EPA, even though Madrid has still to sign

they had not been reconquered by the Spanish counter-refor-mation, and the Walloons the

and being left with one miserahie soldier standing in the middle. "What do you think you are", the sergeant roars et him.
"I'm Belgian", he replies forat Waterloo. Brussels itself

Spain did not sign the memo randum with the others in May because it was awaiting parlia-

mentary approval for the funds, and has since been reported to have had qualms about the engine costs. Its part-ners have become increasingly anxious in view of repeated overtures hy France, which argues that the smaller Rafale, with its greater emphasis on ground-attack, responds better to Spain's defence needs.

Spain's desence needs.

Spain took a full part in the earlier decision phases of EFA, including the signing last year of the air forces' joint requirement. It confirmed at the time that it envisement that it envises of the size 100 eff. that it envisaged taking 100 of

the aircraft.

British officials indicated yesterday that a withdrawal by Spain at this stage would be taken as a serious let-down. The Spanish companies CASA and Sener are shareholders in the two consortia responsible for the aircraft and engines.

president of the pressure group, is probably on to some-thing when he says that Bel-gium's youth are far more interested in studying, finding

jobs and making money than in forming up on the finguistic battle-lines drawn by their elders, particularly the politi-

# Will the real Belgians please stand up

### David Buchan, in Brussels, ponders divisions in a state which is not a nation gians" are probably immigrants. An old story is told of a sergeant ordering the Walloons, among his troops, to the

in his Belgian national day speech last month

minister, who told his fellow Volksunie Flemish nationalists that "the Belgian state, any more than Wallonia, no longer concerns us." He got hauled before the headmaster, Premier Wilfried Martens, and told to ILL the European
Community gain
another member
state as Belgium splits into
two? Or will one member state
simply disappear as the accidents of history prevention incorporation of Dutch-speak-ing Flanders into the Nether-lands and French-speaking Wallonia into France are recant.
The recent passing of the country's largest company,

finally reversed? Either scenario is possible, according to a new fast-selling book by Mr François Perin, a constitutional lawyer who in his years as a minister and senator has developed a deeply cynical view of the small amount of "Belgitude" in his compatriots, compared to the myths perpetrated by historians.

myths perpetrated by historians.
Publication of the book (with a cover showing Mr Perin on a vain search for a true Belgian) coincides, of course, with the current recasting of Belgium into a federal state with one third of the national hudgets being devolved on to the two regions of Flanders and Wallonia, plus linguistically mixed Brussels. Brussels. No one quite knows how far the new federalism, ending 158

years of Belgium as a unitary state, will go. Uncertainty hreeds sensitivity, not only to the Perin book but also to the recent ill-advised remark by Mr Hugo Shiltz, a national

Société Générale, out of pre-dominantly Belgian hands, and the possibility that another national aymbol, the Sabena airline, might go the same way, have also helped gnaw away at the economic sense of Belgitude.

If Mr Perin is right in pre-dicting the demise of Belgium, it is more likely to happen through implosion (crumhling from within) than explosion (the country's linguistic wars have never produced real vio-lence on, say, on an Irish scale). Most people in Belgium are apsthetic. The cafés are hardly buzzing with talk of hardly buzzing with talk of constitutional reforms, partly because there is no one left to defend the unitary cause.

lornly. "What's your name?"
"Kowalski." These days, he would probably have a north African name.

evident distaste, used the world "federal" for the first time

bly have a north African name.

If there is a true Beiglan, it is King Baudouin who, with evident distaste, used the world "federal" for the first time in his Belgian national day speech last month. But the monarchy has in the past had few illusions. Mr Perin quotes the first king, Leopold 1 (himself an immigrant German), as commenting 28 years into his reign that "Belgium has no nationality and, given the character of its inhabitants, can never have one."

As the Cassandra-liks Mr

As the Cassandra-liks Mr Perin says that "the Belgian disease is incurable." The only The only class of "real Bel- hope is that in a united

could then become Europe's Washington DC.
But perhaps it is not too late. Mr Perin may be showing his age (67) by being so gloomy, according to a recent poll carried out by a relatively new ried out by a relatively new youth pressure group going under tha name of "Belgian and proud to be so." Surveying 604 people between the ages of 18 and 30 around the country, the survey found that 70 per cent confessed to being – you guessed it – Belgian and proud to be so; 14 per cent could not bring themselves to agree to this sentiment, while 16 per cent didn't know – presumcent didn't know - presum-ably a) whether they were Bel-gian or h) whether they were

proud or ashamed of being so, or conceivably c) both. Mr Michel Robert, a vice

cians.

Interestingly, much of the support for Mr Robert's pressure group comes from Belgian big business, anxious that federalisation of the country may disrupt for press force it. If there is a true Belgian, it is King Baudouin who, with eralisation of the country may disrupt its plans, force it to decentralise and confuse foreign buyers. One of Mr Robert's chief backers, Mr Philippe Bodson, who is (the relatively young) president of the Belgian employers federation, warns that Belgium will get nowhere by promoting Flemish or Walloon products with Flemish and Walloon trade misaions abroad.

But a generation gap remains, particularly among politicians. A senior senator recalled the other day the answer given by Mussolini to a famous Belgian lady journalist complaining about the difficulty of covering Italian and complaining about the ulin-culty of covering Italian poli-tics. "Not only difficult, madame, but useless." The same, said the senator, went

for his country.

Histoire d'une Nation – Introuvable, by François Perin, published by Paul Legrain.

### Pravda airs Soviet food problems THE Communist party

newspaper, Pravda, yesterday called for an overhaul of the Soviet food industry, reporting widsspread shortages and admitting consumption figures had been falsified, Reuter reports from Moscow.

In the most candid description to date of the daily battle

faced by Soviet shoppers, it produced a catalogue of waste, inefficiency, declining quality and official abuse. It revealed that meat is still rationed in eight of the 15 Soviet republics.

The food problem is acute Tha food problem is acute in many parts of the Russian Federation, the Ukraine and the Transcaucasian republics," the newspaper said.

shops of major cities - and queue all day, Pravda said.

tive and state farms and food enterprises to develop food pro-

4.7 - 1.1

. 17

.

editor to the second

2010/03/03

MARLEY TO S

MANY ELLIN

. . . .

atives where prices may be double official ones.

and meat products.

said.

reform drive, plans to cut its staff of 100,000 by a third, an official said yesterday.

### operation By Our Foreign Staff

The embassy says he has had the condition for two years and the operation will be a rou-

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates \$365.00 per annum. Second-chat postage and at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York. NY 10022.

### Jackson is back as friend | Peru puts Dukakis doesn't need

By Lionel Barber in Washington

JUST AS Governor Michael lege education, all under the Dukakis is about to launch his slogan "Bunging Prosperity autumn presidential campaign Home" and designed to appeal to the middle class.

Such themes are in part and designed to appeal to the middle class.

Jesse Jackson has re-emerged.

The Dukakis camp apparently does not want Mr Jackson campaigning in several states where their polling suggests he would hurt efforts to win white middle class voters, the least continuous control of the least suggests. the key constituency in this year's presidential election. Mr Jackson had apparently

a air

food

. . .

Wie Man #

1.0

let it be known to the New York Times through his aides that his services might not be required by the Dukakis campaign in Mississippi, Alabama New York, Michigan and Texas. The last of these is a prime battleground, where the Democratic effort is headed by Mr Dukakis's conservative Texan running-mate, Senator

Lloyd Bentsen. This latest Dukakis-Jackson dispute undermines the picture of party unity formed at the Democratic Party'a convention in Atlanta last July, a fragile unity which falled to hide deep political differences between

Jesse Jackson has re-emerged.

The Dukakis camp apparently does not want Mr Jackson campaigning in several states where their polling suggests he would but offerted.

summet.

However Mr Jackson argues that the Democratic party should focus less on the middle class and more on attracting new voters from the ranks of the "dispossessed" — blacks, poor whites and Hispanics. The key issue is whether Mr Dukakis and Sen Bentsen have calculated that Mr Jackson will alienate more voters than he can attract. Or, put another way, perhaps they reckon they can take his supporters more or less for granted and therefore do not need to "buy off". Mr Jackson by giving him a prominent role in the cam-

Mr Jackson yesterday rejected the New York Times report which quoted his aides saying he had been asked not the two men on how best to to campaign in several states, beat Mr Bush.

This week, Mr Dukakis cided and added. Tm the most announced his opening campaign themes the drive to ticket has I've spoken to more restore American competitive people in more places for the restore American competitive-ness, home ownership and col-Dukakis-Bentsen ticket than

any governor, any senator, anyone else has."

Last Saturday, on the 25th anniversary of the assassinated civil rights leader Dr Martin Luther King's "I have a dream" speech, Mr Jackson spoka before 50,000 people in Washington and did not endorse the

Democratic ticket. Mr Jackson has in fact rarely disguised his lukewarm attitude to the Dukakis-Bentsen pairing. The question is how far he is prepared to exert him-self on their behalf - precisely the same issue which came up in 1984 when the Democratic nominee, Mr Walter Mondale, tried, without success, to enlist his unequivocal support.

The recurrence of intra-party feuding should please Mr Bush, who, in his latest incarnation as a concerned environmentalist, visited Boston Harbour yes-terday to criticise Mr Dukakis's clean-up efforts in his home state.

The one nagging worry for the Vice-President is his 41year-old running-mate, Senator Dan Quayle of Indiana, who continues to attract criticism. According to a Harris poll released yesterday, Mr Bush leads Mr Dukakis by 49 to 47 per cent, but Senator Bentsen leads Senator Quayle by 57 per cent to 40 and the bulk of voters think he was a bad choice

politicians and lawyers who

### Koch offers a limp handshake

handshake. It was just a campaign of 1988 is behind tonching of fingers for the me. November of '88 and next cameras, and the photographs on the front of the New York papers betray distaste on the faces of both men. But Mr Edward Koch and the Reverend Jesse Jackson, whose mutual dislike made the New York Democrat primary both the high and low point of the presidential campaign this year, have made it up at last. They say they will work together to get Mr Michael Dukakis elected for the Demo-

crats in November. Mr Koch, who is mayor of New York City, didn't exactly apologise for saying in April-that Jews would be crazy to vote for the black candidate. Nor did Mr Jackson quite forgive him for this and other

The state of the s

YOU couldn't really call it a attacks. He did say: "The April year's campaigns are before

me."
The stagy reconciliation on Wednesday might never have taken place but for the suave diplomacy of Mr Mario Cuomo, the Democrat governor of New York, State, who brought the two men together for more than two hours at his offices half-way up the World Trade Centre in downtown Manhat-tan. For all the crowds, the wariness and the tension, it might have been the ministers of Iran and Iraq meeting at the

United Nations.
All week, Mr Jackson has been revisiting the scene of his greatest political triumph and failure. Though he won the city in April, he lost the state

and his chance of the nomination - in a campaign marked by racial tension and inconsequential - bickering, ably stirred up by the mayor. This week brought more of the same. Mr Jackson was booed on the floor of the New York Stock Exchange and on Monday ha held a meeting with a group of local black

have detied the New York criminal justice system for months in the tangled case of the feenager Tawana Brawley, who they say was attacked by white men. The only difference is that Mr Koch, who needs black votes to get re-elected next year, is on his best behaviour. He didn't apologise but he did say he regretted the stridency of his attacks in April.

### gas project out to bids

NEGOTIATIONS on Peru's largest foreign investment ven-ture, Royal Dutch Shell's \$1.3hn (£773m) project to develop rich gas deposits in the Amazon, have failed to meet their deadline, Veronica Baruffati reports from Lima.

A contract should have been

signed by August 31 but late on Wednesday Mr Abel Sali-nas; the Peruvian Minister of Mines, announced that a lack of negotiations between Petroperu, the state oil company, and Shell was forcing the Government to put the contract out to international tender.

A special committee would soon be set up to prepare the terms of the bid, he added. Since the committee will have 90 days for the task, this allows the Government some leeway to resume talks with Shell Shell is reported to be having difficulty raising some \$585m in external financing for the project, but has also been accused of dragging its heels.

### Brazil interest paid

Brazil has made a further commercial banks, bringing it up to date on 1988 interest payments, before another important deadline for a new loans and rescheduling package for the country, Stephen Fidler, Euromarkets Correspondent,

Banks which agree to join the package, incorporating \$5.2bn in new loans, before midnight tonight gain a % per cent early participation fee. The package was originally scheduled for signing this month and for the first dishursement of \$4bn to take place in October, but both may

Argentina debt talks Argentina'a debt negotiators are expected to meet the country's bank advisory committee late next week in New York to discuss the need for new fund-ing, Gary Mead reports from Buenos Aires. It is believed that Argentina is hoping to obtain fresh loans from commercial banks of up to \$2bn. According to Mr Daniel Marx, a director of the central bank, Argentina has this year paid \$800m interest to its commercial bank creditors. But

### Pinochet says Chilean exiles may return

By Mary Helen Spooner in Santiago

CHILE'S military regime will allow political exiles to return to the country, General Angusto Pinochet announced

Some 300 Chileans prohibited from entering the country are affected, but those serving internal exila sentences in remote areas of Chile are not. On Wednesday night Gen Pinochet appeared unexpect-edly on television and invited his opponents to join his Gov-

ernment in building a "new democracy" for the country. The 72-year old general, who on Tuesday was nominated by the military junta to stand as the lone candidate in a one-man presidential plebl-scite to be held October 5, was filmed in civilian dress and seated in front of a bookcase

ate tone contrasted with a

earlier hy Interior Minister Sergio Fernandez, who were charged that opposition dents. groups which are campaigning for a "no" vote in the plebiscite were responsible for the violent incidents in the wake of Gen Pinochet's nomination.

Even though Mr Borja has started in an atmosphere of

goodwill, it must be disconcert-

ing for him to hear talk of transport and general strikes within a month of taking over.

A 15 per cent minimum wage

increase has been proposed by

the Government, and other pal-liatives include health, nutri-

tion and employment pro-grammes. However, it is not clear how far-reaching these

will be, and whether, for exam-

ple, the authorities will be able to freeze the prices of basic

foodstuffs such as sugar and

rice without creating short-

has promised government aus-

At the same time, Mr Borja

filled with leather-bound vol-Three people were shot dead umes. The Chilean leader's moderand five others wounded on Tuesday night by civilians in moving vehicles who opened

statement released a few hours fire on anti-government demonstrators, Another 29 people were injured in other inci-

> An anonymous spokesman for an extreme right-wing group, the Nationalistic Com-bat Front, telephoned Chilean newspapers to announce that the organisation was forming "direct action groups" whose purpose was to defend a "yes" victory for Gen Pinochet in the

### Borja moves to tidy up the mess

Sarita Kendall evaluates Ecuador's emergency economic package

PRESIDENT Rodrigo Borja's economic team, which announced an emergency packaga for the country this wesk, gave an impressive display of unity and shared responsibility.

The measures themselves

the first stage in a three-part programme which will con-tinue with "stabilisation" and "reactivation" — have met resigned acceptance from most sectors, with the strongest condemnation coming from the

trades unions Phrases auch as fiscal dementia" and "economic collapse" flowed as the anthori-ties described the financial chaos of Ecuador'a central hank and accused the last administration of mismanaging

the accounts. The Social Democrat Government's emergency plan is aimed at restoring discipline, cutting deficits and reducing inflation to 30 per cent next year, while mitigating the impact of certain measures in particular devaluation and a 100 per cent increase in petrol prices - on lower-income

Several changes, including import restrictions and central hank controls over private export transactions, fit Presi-dent Borja's campaign promise to give the state a more important role in the economy. After four years of moving in the opposite direction, this represents a return to policies similar to former President Oswaldo Hurtado's, Indeed, the current head of the Monetary Board was part of that govern-

ment.
Although the rise in petrol prices will boost inflation at first, the price is still under 50 bankers say the country has first, the price is still under 50 not paid anything since April. US cents a gallon. The country



Rodrigo Borja: promised a higger role for the state

has been losing petrol smuggled to Colombia and Peru, and growing domestic demand is eating into earnings from crude exports.

The state oil corporation, CEPE, like the electricity sec-tor, has severe financial problems, affecting investment in exploration and development. CEPE and the foreign companies, including BP, have made small additions to Ecuador's reserves in recent years, but new discoveries are needed to

Crude production has been running at more than 300,000 barrels a day since the rehuilding of the oil pipeline after the 1987 earthquake. Having nearly repaid oil loans made last year, Ecuador faces the prospect of having to return to its Opec quota of 220,000 bar-rels a day. This would virtually halve oil exports, something the Government can ill afford.

terity and an end to what he calls the sub-culture of corruption. The central bank is to give no further credit to the public sector this year, and all but the most essential investments are to be slashed. This The 1987 growth forecast of 7 belt-tightening talk has heen echoed by many husinessmen, per cent may sound encourag-

ing, but it reflects the recovery of oil rather than genuine eco-nomic buoyancy. Most experts hankers have said they believe the Government is on the right believs reactivation will take at least a year, and in the It remains to be seen whether Congress will be as meantime a vast rescheduling programme for the \$11bn forunderstanding, Although Mr eign debt is inevitable. Ecu-

Borja has a small majority as a result of the Democratic Left's ador has not been paying interalliance with the Christian Democrats, the Ecuadorian est to the commercial banks since the beginning of 1987, Parliament has in the past while multilateral payments have fallen behind too. shown greater enthusiasm for The country's economic diffiimpeaching ministers than for legislating However, the way the Peruvian border issue – culties have repeatedly been hlamed on extraneous factors, especially the earthquake and mentioned by Mr Borja in his the fall in oil prices. But this inaugural speech - was defused by the president of Government has been put in the unenviable position of Congress showed tact and comimposing unpopular measures mon sense early on, largely because of the previous administration's failare to act during the last year.

One especially prickly problem for Congress and the Gov-ernment is the fate of the air force commandos who kidnapped former President Leon Febres Cordero in January last year. There are strong pressures, including a petition of a reported 400,000 signatures, to grant them an amnesty, which would strain relations with the

While guerrilla activity has been limited to small isolated incidents, Ecuador is suffering the consequences of being sandwiched between two cocaine powers, Peru and Coland small scale laboratories were destroyed under the last Government; the new Interior Minister, promising a firm stand against drugs, said this week that imports of chemicals used in cocaine processing had jumped. President Borja's first year

may well be the toughest, and the traditional 100-day boney-

### THE COUNTRY

Brunei Darussalam is in North West Borneo and borders onto Sarawak. It has a population of around 226,500. Malays make up around 155,500, the Chinese 41,500 and indigenous peoples some 11.500. There is a large foreign community working in Brunei, which is drawn from all over the world.

The Sultanate of Brunei Darussalam is a Malay Muslim monarchy which rose to prominence during the 14th to the 16th Centuries Brunei Darussalam is guided today by the same dynasty—one of the world's oldest ruling families. His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, The Sultan and Yang Di-Pertuan is the 29th ruler and has been on the throne

Today, Brunei has a cabinet style government, made up of eleven ministries headed by His Majesty. The Sultan and Yang Di-Pertuan as Prime



### MANAGING ITS ECONOMY

The Government believes in sound monetary and fiscal policies based on a secure balance of trade and substantial foreign exchange reserves and investments. It has a balanced budget and no national debt.

There is no personal taxation and company taxation is at 30 per cent. Brunei has a double taxation agreement with the United Kingdom. The national currency-the Brunei dollar-is at parity with the Singapore dollar.

The Brunei Investment Agency manages one of the world's largest investment portfolios with holdings in several major economies. The BIA has an office in London and is managed from its headquarters at the Brunei Ministry of Finance.

### NATIONAL DEVELOPMENT PLAN

Brunei's national development plan covers the period 1986-1990 and aims to diversify the economy with planned total expenditure of B\$16.2 billion. It

# WHAT YOU SHOULD KNOW ABOUT BRUNEI DARUSSALAM

### INTERNATIONAL STATUS

Brunei Darussalam resumed its full independence in 1984. Soon afterwards it joined the Association of South East Asian Nations-ASEAN. Brunei is committed to play its part to ensure that ASEAN remains a viable and effective association.

The Sultanate remains a member of the Commonwealth and values highly its links with the United Kingdom and other Commonwealth members

Today, the Sultanate is a member of the United Nations, The Organisation of Islamic Conference and many other international bodies. In addition, Brunei maintains diplomatic relations with some 42 other states

### **ACHIEVEMENTS** SINCE INDEPENDENCE

Following resumption of full independence in 1984, Brunei's record of achievements encompasses impressive economic development, sustained social progress and a major effort to diversify the country's economy away from over dependence on oil and gas.

Brunei's economy has one of the highest per capita incomes in the world. The government is determined to ensure that the country enjoys a well balanced development. Civil aviation, communications, housing, education and social welfare are all priority areas in which good progress has been made.

places emphasis on building up industry in nonenergy sectors, fostering private enterprise and developing job skills among the local workforce. Brunei's Ministry of Development is able to offer a whole variety of advice and aid packages for schemes that accord with the plan.

For a copy of Brunei Darussalar published in October, please comp below to The High Commissi Darussalam, 49, Cromwell Road	lete and post the coupon
NAME	(PLEASE PRINT)
COMPANY	/
POSITION	<del></del>
ADDRESS	

### **WORLD TRADE NEWS**

# Default risk among debtor nations 'is higher than ever'

William Dullforce reports from Geneva on a plan which Unctad economists say has failed to achieve many of its objectives

posal for a 30 per cent reduction in the com-mercial bank debt of 15 developing countries put forward today by the United Nations Conference on Trade and Development rests on a closely argued indictment of the international debt strategy pursued by the big industrial nations.

In the Unctad secretariats view, the plan elaborated in 1985 by Mr James Baker, the former US Treasury Secretary. has failed to achieve many of its objectives, including the key one of returning developing countries to sustained

Unctad also argues that the risk of defaults among the 15 most heavily indebted countries is higher than ever. Despite the domeetic policy reforms undertaken by many countries under pressure from the Baker plan, their indebtedness has increased.
Their growth momentum

continues to be stifled, inflationary pressures are still

The most notable achievement of the Baker strategy is that the commercial banks' exposure in relation to their capital has fallen steeply. By increasing their loss provisions. US. British and Canadian banks took decisive steps in 1987 to protect themselves against eventual non-payment.

In contrast, the Unctad report points out, at the end of 1987 the main debt indicators of the developing countries

were worse than in 1982, when

the debt crisis broke out.

If recent interest arrears by a number of countries such as Brazil, Ecuador, Ivory Coast and Peru are added to the debt stock, the ratio of external debt to Gross Domestic Product in the 15 countries rose to about 0.5 in 1987 from 0.42 in 1982. At the end of 1987, the ratio of the stock of external debt to the value of exports in these countries was 65 points higher

Unctad recognises that external factors, such as the con-tinuing depression in commod-

than in 1982.

ity prices, have hampered the Baker plan but it is particu-larly tart about the banks' failure to fill their role in the

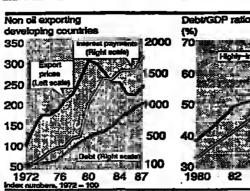
strategy.
Banks were expected to supply sufficient funds to avoid driving debtors into default in tha short term but also to strengthen their debt-servicing capacity in the longer term.
In practice, the banks have concentrated on minimising their exposure and have met

only the first expectation, according to Unctad.

New devices and techniques for converting bank claims into more secure assets debt-equity swaps, exit bonds and other forms of securitisa-tion - have not yielded any sub-stantial increase in the flow of resources to debtor countries,

the Unctad economists argue.

The task of realigning developing countries' debt service obligations with their economic capacities has still to be accompliehed and in many respects is now much more formidable than six years ago, they claim. Investment ratios



and living standards are far below earlier levels. Unctad examines three scenarios for the future development of the debt issue. A baseline scenario assumes that terms of trade, interest rates and net lending will remain as they are and that the indebted countries' domestic policies will substantially improve the efficiency of their investments

Over the next five years, per capita export volume would grow by no more than 0.8 per cent a year and income by no more than 0.5 per cent. Such results would be better than anything achieved so far but the debt indicators would scarcely improve and the outcome would imply an eventual breakdown in debtor-creditor

Under a new lending sce-

### eded would average roughly \$16bn (£9.4bn) a year over five years.

Income would grow at about 5.3 per cent over the five years and exports at about the same

nario, net capital flows would be raised to a level 24 times above the baseline figure, enough to eliminate the foreign exchange constraint on growth. The additional lending

rate, but the debt statistics would show no improvement.

A strategy of accumulating substantial additional debt at market rates would be fraught with dangers and may be considered out of the question for most indebted constraint. most indebted countries, Unc-

The Unctad secretariat plumps therefore for the third "debt relief" scenario, which calls for a 30 per cent once forall cut in commercial bank

This scenario assumes as before that interest lates and terme of trade ramain unchanged and that the efficiency of investment is improved, but it also requires that the entire amount of savings on interest payments be allocated to investment in export industries.

After five years, income would be 24 per cent higher and investment 36 per cent higher than in the baseline senario, while the debt/GDP ratio, would be 17 points lower and the debt/export ratio 100 per-

centage points lower, the Unc-tad economists calculate. Resort to concerted debt reduction would not mean abandoning the case by case approach on which the hig industrial nations have insisted in their strategy, Uncon the contrary it would

make that approach more effective. The ability to adjust the debt stock would allow debt restructuring and financing packages to be better tailored to the individual countries. A 30 per cent reduction in the commercial debt of the 15 countries would provide an exira fillip to world trade and help to improve the US trade balance, according to Unctad.
Combined with debt relief
and new financial flows for sub-Saharan Africa, the debt cut would stimulate annual increases over the 1987 level of from debtor countries, the Uncted economists calculate.

As much as \$65n of this would benefit the US, they say.

### Poorest countries in Africa 'need more aid'

By William Dullforce in Geneva

THE "MENU" of measures to relief and additional conces-boost assistance for African sional flows to the poorest boost assistance for African countries approved by the seven industrial powers at their Toronto eummit in June represents an important qualitative change in governments' stance and has improved the potential for easing Africa's debt burden, Unctad says in its 1988 report.

However, it argues, the Toronto initiative needs to be complemented by further debt Countries, Unctad says.

It accepts the estimate of a UN advisory group that sub-Sa-

Cancellation of official development assistance debt by some governments should be copied by others, Careful examination of export prospects and import requirements should also show that waiving of ODA debt is necessary for more

haran Africa faces a financing gap of over \$5bn (£2.9bn) a year for the next few years. Commitments by the World Bank, the International Monetary Fund and the African Development Bank should provide an additional \$3bn a year. The remaining \$2bn needs to be met by debt relief and increased bilateral flows.

While a flow of this size would go a long way to checking the economic decline in

Africa, it would not end the constraint on growth posed by these countries' payments bal-ances, Unctad comments. Sub-Saharan African nations are much more dependent than the highly-indebted countries

and translate them into export

on imports

Even if the \$5bn-a-year financing gap were bridged, the growth rate of imports would not allow any real improve-ments in the payments balance over the next few years.

Setting a target growth rate of 3 per cent for per capita income and consumption over the next five years would require the raising of a further \$5bn a year on average above what is already in prospect.

This means, Unctad calculates, that even if the entire interest payments on official bilateral debt and long-term commercial debt were cancelled, \$3bn more in new flows would still be needed.

### Warning over manufactures Although Third World manu-

TRADE TENSIONS could focus more on exports of manufac-tures from the Third World, Unctad forecasts in its 1988 trade and development report, William Dullforce reports.

One quarter of developing countries non-fuel exports to the developed market economy. countries is already affected by a vast array of non-tariff mea-sures such as quantitative restrictions, price controls, lic-ensing and voluntary export restraints. Unctad complains,

Although Third World manufacturing exports are focused on sectors where output and employment have long been declining in the industrialised countries, they are increasingly giving rise to trade conflicts, Uncted claims.

Protectionism by the industrial nations tends to concentrate on food products, textiles and clothing, steel, and electri-

and clothing, steel, and electri-cal goods, in which developing countries are gaining competitive advantages, Unctad says.

This, it claims, raises the issue of how to incorporate dayeloping countries more fully as equal partners into the international trading system.

A long-standing international policy commitment to make room for exports of manufactures from developing countries still has to be fully implemented.
This commitment could be

met, Unctad suggests, through agreement on the rollback of existing non-tariff barriers

### Japan 'to strengthen role as top telecoms exporter'

By Hugo Dixon

JAPAN WILL strengthen its position as the world's leading exporter of telecommunications equipment over the next few years, according to a report\* by the UK-based Telecommunications Research Cen-

The report forecasts that telecommunications trade will total \$13.3bn (£7.8bo) in 1990, up from \$9.9bn last year. Japan will account for 31 per cent of this market, with exports of

West Germany and the US third largest exporters, with 11.2 per cent and 9.7 per cent of the export market respectively. Sweden, which held the number two spot in 1986, slipped to fourth last year and is expected to see a further decline in market share by 1990.

The UK, the world's seveoth largest exporter in 1985, will also decline as a telecommunications power, according to the passes US trade pact By David Owen in Toronto

report. South Korea, Belgium, Hong Kong and Finland will be larger exporters by 1990, push-ing the UK into 11th position. The report, which examines how the worldwide telecommunications business will develop to the end of the century, makes the following forecasts:

Worldwide telecommunications spending will amount to \$184bn in the year 2000, up from \$83bn in 1986.

This increase in spending. implementing legislation until after a general election is at 8 per cent a year, will not be

enough to satisfy demand for expected to grow 12 per cent a year until the end of the cen-• The two fastest-growing seciors of the telecommunications market will be data communications and mobile communi-\*Telecommunications, World Outlook and Forecast, TRC. 4/5 The Square, Barnham, West Sussex, PO22 OHB, UK. £395.

# Canada House

THE CANADA-US free trade agreement has been passed by the Canadian House of Com-mons, by a margin of 177 to 64. The deal, which aims to remove most tariffs on bilateral trade between the two countries by the year 2000, now passes to the Liberal-dominated Senate or Upper Cham-ber. The Senate has pledged to delay passage of the necessary

The delay is not expected to last too long, however, because a general election is widely expected to be announced As expected, the Commons division was strictly along party lines. The deal, negoti-ated by Mr Brian Mulroney's Conservative Government, is staunchly opposed by both the Opposition Liberals and the left-of-centre New Democratic

# Soviet joint ventures will be a long haul

John Lloyd looks at the problems of co-operation with foreign enterprises

O-OPERATION between foreign and Soviet enterprises is of a piece with much else in the eco-nomic reform movement at present going on in the Soviet Union - as with, for instance, co-operatives, self-financing by enterprises, and leasing of land and equipment.

It is the subject of a huge

piece of legislation, is being boosted by senior figures and the media - but as yet has pro-duced very little. Like peres-troika itself, of which it is a potential. Potential there is, though: the Government has earmarked 320 ventures for development over the next seven years, including 69 in agriculture, 60 in chemicals, 50 in the "social sphere", 48 in machine building, and 33 in

construction.
Of the total, some 140 are expected to use advanced tecbnologies - perhaps, for the Soviet Union, the most important single element.

But that growth will only come – as Soviet planners recognise – from foreign partners seeing that profits can be made and that their assets are secure, a belief which will take

time to spread.

For the moment, the base is small: some 70 joint ventures, of which all but 11 are between Soviet and capitalist partners.

A lengtby analysis of this new sector by Dr I. Ivanov, deputy chairman of the Foreign Economic Commission of the Council of Ministers, in the current issue of Kommunist, Of the total, 48 have a capi-talisation of less than Roubles

5m, with only 10 over Roubles Iom. Total investment to July was Roubles 530m, of which more than one third is foreign. West Germany is easily the most important partner, with 13 joint ventures so far; Finland, the traditional western conduit, has nine, Italy eight, the US seven, Austria six, France four, Switzerland and Japan three. Australia, Britain, Canada, Ireland, Spain, Swe-den and Syria all have one or

two at the most. An earlier study by Ernst
and Whinney, the British busi... ness services group which has secured the contract to audit the books of most of the joint ventures in association with the Soviet office of Inaudit, shows that workforces are often in no more than double figures - though a refrigerator company founded by Sovital Prodmash and the Italian company Fata employs 2,500 and a Soviet-Swiea construction

enterprise has 460 workers. The limiting factors are taxes, quality of local components and service, the repatriation of profits, and access to the domestic market At present, the Western part-

ner can only repatriate that share of the profit earned in hard currency, and hard cur-rency must also pay for all machinery and supplies not sourced in the Soviet Union, and the salaries of non-Soviet

Further, an effective tax rate of 44 per cent was, under the terms of the original decree of joint ventures of January 13 1987, paid on all repatriated profits: that figure has been lowered, and is anyway subject

In addition, the quality of local products of all kinds is said to be variable. One or two of the more recent US joint ventures have attempted to overcome this and other prob-lems by establishing a series of

Joint ventures are the subject of huge legislation, are being promoted by the media. but as yet have

joint companies which can both supply each other and cooperate on profit repatriation.

The original design of the Soviet authorities was to insulate the joint ventures from the domestic market, allowing them to trade only through trade associations. That had the advantage of guaranteeing a stable level of profits, though under pressure the enterprises are now being allowed direct access to the domestic market.

Even when gained, however, access to the market is only the beginning of the matter for many enterprises, especially those in technically advanced sectors, the larger problems are trained staff, a sales infrastructure and a market ready to buy their goods. Take the case of the com-

pnter company Interquadro, one of the handful of joint venture companies now beyond the documentation stage. It is a joint French-Italian-Soviet venture, to market personal computers and software. Easy enough, in a vast, rela- because there is not the training, nor the infrastruc-ture, nor yet any more than a tiny computer culture, on which to float. Interquadro has its own client training programme, and is looking for big orders from the

tively well-educated market which has an estimated 1,000 personal computers in all? No

agriculture ministry (which owns 35 per cent of it) and from Moscow diamond and watch factories. But Mr. Alexandre Kaplan, the French depthe authorities are monthly uty general, manager (the towards a position where the chief must always be a Soviet rules governing such ventures citizen), knows ha is in for the are flexible, geared to allow haul. long haul.

The reservations are not all

on the western side: in Dr Iva-nov's Kommunist article, ha lates fears generally felt that the foreign partners will "exploit" Soviet workers and

consumers: and that if Soviet. companies establish produc-tion facilities abroad, they will themselves become exploiters. Dr Ivanov dismisses these fears: Soviet law can take care of its workers, and Soviet companies abroad would export anything big for a while.

not imperialism (as some Western companies, he says, do through investment) but tech-nology and a socialist example. Dr Ivanov is concerned to

persuade his readership - the Party elite - that the Soviet Union has no choice but to insert itself gently into the "international division of labour" and that this cannot be done any longer aimply through distant trade relations. in Soviet discussion of the issue, it seems apparent that

eign partners.
Dr Ivanov, for example, suggests that they could be

relieved from many of the labour laws (there is a similar debate going on about co-operatives) so long as they agreed to undertake collectiva bar-gaining with the unions. New partners including corporations like McDonalds fast food chain, are now coming

forward. But no-one expects

### 1988 INTERIM RESULTS — HIGHLIGHTS

### Swire Pacific Limited

Results Swire Pacific Limited's profit before extraordinary items for the first half of 1988 was HK\$1,381.9 million compared with HK\$1,098.3 million in the equivalent period in 1987, representing an increase of 24.0%. Extraordinary profits of HK\$385.9 million were recorded (1987: nii). The unaudited consolidated results for the six months ended 30th June

	Six month 30th		Your ended 31st December
	1988	1987	1967
	HK\$M	HKSM	HK\$M
Turnover	11,542.0	S,478.0	20,166.4
Operating profit Net finance charges	2,692.1	2,044.8	4,565.4
	416.0	1\$1.4	458.4
Net operating profit Share of profits less losses of associated companies	2,276.1	1,853.4	4,107.0
	105.1	93.4	178.8
Profit before texation	2,381.2	1,946.S	4,285.8
Taxation	434.3	383.7	715.3
Profit after taxation	1,946.9	1,563.1	3,570.5
Minority interests	585.0	464.5	1,174.4
Profit before extraordinary Items Extraordinary Items	1,361.9 385.9	1,098.3	2,396.1
Profit attributable to shareholders	1,747.S	1,098.3	2,396.1
Dividends	364.2	298.1	973.1
Retained profit	1,383.6	800.2	1,423.0
Earnings per share: 'A' shares '3' shares	86.6¢	70.5¢	153.3¢
	17.3¢	14.1¢	30.7¢

Earnings per share are calculated by reference to the profit before extraordinary items in each period and the weighted Interim dividends The directors of Swire Pacific Limited have today declared interim dividends for 1988 of 230c per

	1988		1967	
Dividends per share:	katerim	Interm	Final	Total
'A' shares	23.00	15.0c	43.00	62.00
'2' shares	4.5¢	3.8¢	S.6¢	12.4€

The interim dividends are payable on 31st October 1988 to shareholders registered at the close of business on 30th September 1988; the share registers will be closed from 20th September 1988 to 30th September 1988, both dates inclusive. The interim dividends will comprise minimum cash dividends of 1.0¢ per 'A' share and 0.2¢ per 'B' share, which are being paid in order to ensure that the shares of the Company continue to be Authorised investments for the purpose of the Trust Ordinance of Hong Kong, and an issue of additional shares by way of scrip dividends but shareholders will be given the option of receiving cash in place of part or all of such scrip dividends. Full details of the scrip dividend procedures will be given in a circular which will accompany the complete Interim Report to be sent to shareholders on 6th September 1988.

Prospects Operating conditions for Cathay Pacific Airways remain stable and in the absence of any significant adverse changes another good year is in prospect. Hong Kong Aircraft Engineering Company should also perform well. The property division can expect a sansfactory outcome to the year. Trading division's results are forecast to be higher than in 1987, and an improvement is expected in the innurance division. The industries division should perform reasonably well, although difficulties in certain areas of the division still persist. Offshore services activities will remain quiet. Prospects for the Group overall for the full-year 1988 are good. I expect that the final dividends to be recommended will be at least double the

Hong Kong, 26th August, 1988

D.A. Gledhill Chairman



### Soviet-Finnish deal signed

By Stephen Fidler, Euromarkets Correspondent

ONE of the first project the sale of plywood. One banker said the financing was to involve foreign banks was signed in Moscow yesterday – a DM60m (£18.7m) loan to The project will be grouped to the project will be provided to the project will be provided to the project will be provided to the project will be project w establish a joint venture to manufacture plywcod between Soviet and Finnish companies. The financing is one of the first to be arranged with Western banks without the guarantee of the Soviet Union through the Bank for Foreign Economic Affairs.

Economic Attairs.

The project is designed to be self-financing, with the loan to be repaid from revenues from

The partners in the joint venture are Novgorodlesprom, a regional production company in the USSR, and the two Finnisb companies, Raute and With Schaumann it will build

a factory at Novgorod.
The 12%-year loan is being provided by Moscow Narodny, the Soviet-owned London-based commercial Bank, and Posti-pankki, the Finnish state-

owned commercial bank.

Most of the equipment for the project will be sourced from Finland and funding for the project will be provided to the lending banks by the Finnish export credit agency.

However, payments from the joint venture will be in hard currency and will not be subject to the Soviet-Finnish clear-

ject to the Soviet-Finnish clear-ing arrangement. This offsetting financing arrangement has run into difficulty with the build-up of a large trade sur-plus by Finland with the Soviet Union.

<u></u>			< P.13	SE	CI	TR	TI	IES	
							Cross	Yield	•
Low		Compady		Price	Cha	<b>896</b>	qia (b)	%	P/I
185	Ass. Brit.	Ind. Ordina	ý	237	: 1	0	S.7	3.7	8.
186	Ass. Brit.	Ind. CULS.		237	,	е	20.0	4.2	-
25	Armitage	and Rhodes	T-141 for 1 hours	35		. 8			
	SSS Des	ign group (L)	SM)	37			2.1	5.5	5.
	Bardon G	1000		169	•			. 20	23,
100	- Bardon G	LOSD COUR. 1	TOTAL SAME	115					
132	Bray reci	acquiogles	····	132					10.
100	Stannin	COM. PTH .		110					
246	CCT C-	p Orzininy	· D-4	234					4.
120	Curto Di	DITY COM	.Fre moreon	_ 160xg					
100	Carbo 7.5	% Pref (SF	1	172-4					9.
147	Course R	lair	-	307					
-60	tels German			97			120	. 3.9	6.
87	Jackson (	Group (SE)		112vt	•		34	30	
245	Matthew	temb) VV cent	SE)	340					12
40	Robert Je	micins		111w			7.5	4.0	. 2
124	Scruttors			415	· .	ā	0.0	20	77
194	Torday &	Cartible		233		ŏ	7.7	3.3	. 7
56	Trevian H	oldings (US	MD:	77xd '.				. 3.	. 8
300	Unistrat	Europe Copy	Pref	108	-	õ	8.0	7.4	
203	W.5 Years	PS	i	290		ē	. 14.2		7.5
	185 186 25 37 155 100 132 100 246 129 100 87 245 40 124 194 195 100	185 Ass. Brit. 186 Ass. Brit. 25 Armitage 37 SSS Des 155 Bardon 6 132 Bray Ted 100 Brenhill 246 CCL Grob 129 Carbo Ps 147 George B 560 kits Grots 40 Robert Ji 245 Robert Ji 245 Rottlond 194 Torday 8 56 Trevian 8 560 Trevian 8 560 Upistrat 190 Upistrat 100 Upistrat 100 Upistrat	185 Ass. Brit. Ind. Ordina 186 Ass. Brit. Ind. CULS. 25 Armitage and filoded 37 SSS Design group CU 155 Bardon Group Cote. 156 Bardon Group Cote. 157 Bardon Group Cote. 158 Breshilli Cow. Pref. 158 CLL Group Ordinary. 159 Carbo Pic SSD 150 Carbo Pic SSD 150 Carbo Pic SSD 150 George Blair 150 George Blair 151 George Blair 152 Breshilli Cow. Pref SSE 154 George Blair 155 Tarkinon Group (SSD 158 Floring 159 Torday & Carliste 154 Trevian Holdings (US 155 Trevian Holdings (US 150 Usistrut Europe Coor	185 Ass. Brit. Ind. Ordinary 186 Ass. Brit. Ind. CULS 25 Armitage and fitnder 37 SSS Design group (USM) 155 Bardon Group 100 Bardon Group Conv. Pref 132 Brag Yechnologies 100 Brenthill Conv. Pref 124 CCL Group Ordinary 125 Carbo Pic (SE) 126 Carbo Pic (SE) 127 Carbo Pic (SE) 128 George Blair 160 kis Group 174 George Blair 161 Kis Group 175 Robert Jenkins 174 Methibome NV (AmstSE) 185 Mietthome NV (AmstSE) 194 Torday & Carliste 195 Trestan Holding (USM) 100 Usistruc Europe Conv Pref 100 Usits Trest Europe Con	185 Ass. Brit. Ind. Ordinary 237 186 Ass. Brit. Ind. CULS 237 25 Armitage and Rhodes 37 25 SSS Design group (USM) 37 155 Bardon Group Cote. Pref 169 182 Bardon Group Cote. Pref 110 182 Bardy Technologies 332 180 Bersmill Conv. Pref 110 182 Bardy Technologies 342 180 Bersmill Conv. Pref 110 184 CCL Group 11% Conv. Pref 120 180 Carbo Pt. CSD 150 180 Carbo Pt. CSD 150 180 Group Cote. Pref 120 181 George Blair 307 181 George Blair 37 184 Bersmill Conv. Pref 300 185 Group Group ISD 112 185 Meithbours NV (AmstSD 340 40 Robert Jenkins 111 185 Torday & Carliele 23386 194 Torday & Carliele 23386 195 Trevian Holdings (USM) 77 180 180 Unight Europe Comp Pref 180	185 Ass. Brit. Ind. Ordinary 237 186 Ass. Brit. Ind. CULS 237 25 Armitage and Rhodes 35 37 SSS Design group (USNA) 37 155 Bardon Group Cons. Prof. 115 132 Bray Technologies 152 130 Brenthill Conv. Prof. 115 132 Bray Technologies 153 140 Brenthill Conv. Prof. 110 140 Carbo Pic SED 150 140 Carbo Pic SED 150 140 Carbo Pic SED 150 147 George Blair 307 148 George Blair 307 149 George Blair 307 149 Assent Group ISD 112nd 149 Forest Jandon 111nd 144 Scruttors 145 145 Scruttors 145 154 Trevian Holdings (USNA) 77 155 Trevian Holdings (USNA) 77 156 Trevian Holdings (USNA) 77 157	185 Ass. Brit. Ind. Ordinary 237 0 186 Ass. Brit. Ind. CULS 237 6 25 Armittage and (Rodes 3) 37 8 8 37 SSS Design group (USM) 37 6 156 Bardon Group Cote. Pref 16 6 132 Bardy Technologies 334 0 100 Bershill Conv. Pref 110 0 124 CCL Group 11% Conv. Pref 150 6 129 Carbo Pt. CSD 150 6 129 Carbo Pt. CSD 150 6 147 George Blair 37 0 160 Sist Group Cote. Pref 112nd 6 147 George Blair 37 0 158 Jackson Group (SSD 112nd 6 148 Group Group (SSD 112nd 6 149 Forday & Carlolle 245 6 1112nd 6 149 Forday & Carlolle 23386 0 17 Tretan Holdings (USM) 77nd 2 100 Unight Europe CONP 771 108 0	185 Ass. Brit. Ind. Ordinary	185 Asi, Brit. Ind. Ordinary

### French minister tries to block Japanese wine bid

By George Graham in Paris

FRANCE'S Agriculture Minister yesterday stepped in to try to stop the sale of one of to try to stop the sale of one of France's most expensive wine labels to a Japanese company.

Mr Henri Nallet said be had asked his colleague Mr Plerre Beregovoy, the Finance Minister, to refuse permission for Takashimaya. Takashimaya, a Japanesa retailer and wine importer, to buy a stake in Leroy, a Bur-gundy wine dealer with exclusiva distribution rights for Romanee Conti, for about FFr84m (\$13m). Takashimaya

wants to buy a stake only in the distributor, not in the vine-

Romanee Conti, a tiny vine-yard of 1.8 hectares, produces only about 6,000 bottles a year, selling for more than any other Burgundy wine and often exceeding even the rarest Bor-deaux wines.

The 1983 vintage retails in Paris for FFr3.200 a bottle. Old vintages have sold recently for over FFr8.000 a bottle.

"It is like a cathedral," said Mr Nallet, adding that Roma-nee Conti was a work of art, part of France's cultural heritage, which could not be allowed to pass into foreign NOTICE OF REDEMPTION To Holders of

U.S. \$100,000,000 GMAC Overseas Finance

Corporation N.V. 11%% Notes due October 1, 1990

Notice is hereby given that pursuant to Paragraph 5 of the Notes and Paragraph 6(b) of the Fiscal and Paying Agency Agreement dated as of October 1, 1968, between GMAC Overseas Finance Corporation N.V. (the Company) and Chemical Bank, Fiscal and Paying Agent, the Company hereby gives notice of its election to redeem all of its 11% Notes due October 1, 1990. The date fixed for redemption shall be October 1, 1988, and the Notes will be redeemed at the price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption. After October 1, 1988, the Notes will cease to accrue interest to the date fixed for redemption. After October 1, 1988, the Notes will cease to accrue interest to the date fixed for the fiscal agent, Chemical Bank, 55 Water Street in New York City, Notes in bearer form will be redeemed upon presentation and surrender together with all appurtenant coupons, if any, maturing on and after the date fixed for redemption at the principal offices of Chemical Bank in London, Frankfurt, Paris and Zurich and the principal offices of Banque Bruxelles Lambert S.A. in Brussels and Banque Generale du Luxembourg S.A. in Luxembourg.

Dated: August 26, 1988 -----

GMAC Overseas Finance Corporation N.V.

# RST -SEOUL FLIGHT

Control being

Finish'

FOR THE COMPETITION
FOR 2 FREE PRESTIGE CLASS
RETURN TICKETS TO KOREA
PLEASE COMPLETE THIS FORM:
NAME:
JOB TITLE:
ADDRESS:

TEL Nº

SEND TO: KOREAN AIR 66/68 HAYMARKET LONDON, SWIY 4RF



By Stefan Wagstyl in Tokyo

PRESSURE mounted yesterday on the Bank of Japan to follow other central banks in raising official interest rates. But the bank refused to budge, despite bank refused to budge, despite a sharp fall in the yen, as well as a surge in money market interest rates which cansed one of the Tokyo stock market's biggest falls this year. Nevertheless, some private economists said the central bank might not be able to hold cut work lower in the fees of

out much longer in the face of the increases in US interest rates, which heve helped to push the US dollar to its high-est level against the Japanese

est level against the Japanese yen for nearly a year.

"It's not e question of if but when," said Mr Marshall Gittler, a bond market analyst at UBS Phillip & Drew. Mr Snsumn Teketomi, senior-financial economist at the industrial Bank of Japan, was more circumspect. "We have some more time hefore the decision has to be taken. But the probability of an increase the probability of an increase in the official discount rate is higher than it was a week

ago."
The immediate cause of concern yesterday was a surge in the dollar, which closed in Tokyo at Y136.7, a sharp Y1.73 higher. As a result yields in the money and bond markets, which have been climbing steadily, rose another notch. The Nikkei index of long bond yields finished 0.06 per cent up

at 5.55 per cent. Attention focused on the widening gap between the bill discount rate - the market-responsive rete at which the Bank of Japan operates in the inter-bank market - and the official discount rate - which determines the cost of commer-cial bank prime borrowing

The bill discount rate rose to 4.25 per cent in the case of one-month hills – while the discount rate stayed put at 2.5 per cent.

Some economists argued that this gap illustrates that the central bank no longer has any choice about raising the discount rate, or else commer-cial banks' borrowing and lend-ing rates will be squeezed. But

Japan may be holding back for fear that intervention would provoke a dangerously quick fall in the dollar

others said the central bank

others said the central bank still had room for manoeuvre in Japan's complex web of reg-uleted, half-regulated and unregulated money markets. The Bank of Japan's official view is that its priority is to keep borrowing costs in Japan low, to maintain the rapid pace of economic expansion, which benefits other countries by sucking in imports. Moreover, the bank fears that a rise in Jepanese rates could easily spark a round of worldwide

spark a round or wormwine interest rate increases.

The danger is that e continued fall in the yen might push up import costs and cause infletion. Also, e low yen would boost Japanese exports to cut its trade deficit.

However, raising interest rates is not the only tool at the

bank's disposal. It could join the US Federal Reserve and the Bundesbank in selling dollars in the foreign exchange markets. With reserves of \$90bm at the end of Angust, the Bank of Japan is not short of resources. On Tuesday and yesterday it gave a strong signal that it might intervene, by telephoning foreign exchange dealers to ask for price quotations, but did not make any sales. Moreover, Mr Kiichi Miyazawa, the Finance Minister, went out of his way to dismiss the idea that Japan might intervene, saying exchange rate moves should be left to market forces. The apparent difference in policy between Japan on the one hand and the US and West Germany on the other has been seen as a split between the industrial powers. But some traders believe Japan may be holding back for fear intervention would provoke a dangerously quick fall in the US currency. This is reinforced by the fact that it is widely thought in Tokyo that the dollar's strength is temporary – bad US trade figures at the end of the year could send it back to the Y125 level.

Whatever the reason, the Rank of Japan is sitting tight.

it back to the Y125 level.

Whatever the reason, the Bank of Japan is sitting tight. Mr Taizo Taya, senior economist at Daiwa Research Institute, an affiliate of Daiwa Securities, said yesterday the central bank would probably intervene at Y137-Y138. It would only raise the discount rate if intervention failed and rate if intervention failed and the dollar rose to Y140, and if Japanese wholesale prices started rising. For the moment they are still falling, for all the fears of inflation.

PLO officials say Mr Arafat may address the UN General Assembly, which opens in New York this month, but UN offi-

Javier Perez de Cuellar, the UN Secretary General, at the week-end, was described by an offi-cial familiar with those talks

THE chairman of a Malaysian royal tribunal investigating charges of misconduct against five suspended court judges yesterday disqualified himself, after refusing to do so earlier. Malaysian lawyers say the disqualification of Tan Sri Yeop Sani could have a significant bearing on the final outcome of proceedings.

come of proceedings.

When it was announced last

month that Sultan Mahmood Iskandar, the Malaysian king, had consented to the appoint-

as being "in a sweat" over the way ahead for the PLO: it has rarely been faced with such a delicate and difficult task.

King Hussein of Jordan's aunouncement on July 31 that he was retinquishing legal and administrative responsibilities for the West Bank and Gaza Strip to the PLO as the sola legitimate representative of the Palestinians has presented Mr Arafat with a huge challenge, the dimensions of which are now becoming apparent.

now becoming apparent.
Among various options being considered by the PLO is to ask the UN to revive the 1947 partition plan which led to the establishment of the State

Another strand in PLO thinking is to ask that UN res-olution 242 of 1967 be redrafted to include specific reference to Palestinian rights to self-deter-mination. The PLO has always objected to the resolution because it does not address Palestinian claims to statehood, treating the problem as

Arabs have long urged the PLO to endorse resolution 242 which would imply acceptance of Israel. The resolution calls on Israel to withdraw to pre-

forge a strong consensus behind a new political pro-gramme that would attract widespread international sup-port. This would require unam-biguous acceptance of Israel's right to exist behind secure

pre-1967 war boundaries. Observers in Middle East capitals recall his difficulties reunifying dissident PLO fac-tions with his own Fatah mainstream group at a meeting in Algiers last year of the Pales-tine National Council (PNC) - the Palestinian parliament-in-crile.

One of the conditions for the two largest PLO splinter groups – the Popular front for the Liberation of Palestine (PFLP) and the Democratic Front for the Liberation of Palestine (DFLP) estine (DFLP) – to reunify with Fatah was Mr Arafat's agreement to renounce an accord with King Hussein in February, 1985 which implied acceptance of Israel.

A indication of disagreen A indication of disagreement within the PLO over the course to follow is the fact a meeting of the PNC, which was to be held in Algiers this month, has now been put off until late October, and may slip further. PLO sources say that while there is strong support in the organisation for a provisional government, representatives of government, representatives of factions on the left of the organisation are not persuaded that now is the time to embrace a two-state solution (acceptance of Israel alongside

a Palestinian state) to the Arab-Israel dispute.

is under pressure from almost all sides – Arab moderates, Palestinian leaders in the Occupied Territories and Western governments - to fashion, in effect, a new PLO that would more emphatically rep-resent Pulestinian aspirations.

The PLO chairman must be

immediately challenged Tan Sri Yeop's appointment. The proceedings were adjourned, and Tan Sri Yeop desided to step down yesterday, to make way for Edgar Joseph, a high court judge. Lawyers for the five suspended judges said they had no objection to his appointment.

appointment.

The tribunal's proceedings will resume today. It is closed to the public. If found guilty, the five suspended judges are likely to sacked.

# He had refused, saying it would be tantamount to "staging a revolution". He later said he had meant this as a joke, and went on to accept the chairmanship of the second tribunal. The report by the first tribunal was subsequently presented to the king, who ordered Tun Salleh to be sacked as Lord President of the Supreme Court last month. When the second tribunal began its hearing last Monday, the five suspended judges ment of Tan Sri Yeop as tribunal chairman, the Malaysian Bar Council raised strong objections. It pointed out he was involved in the events that led to the suspension of his fellow judges. It had asked him to join an emergency sitting of the Supreme Court on July 2 that tried to stop an earlier tribunal from submitting a report to the king on the alleged misconduct of the country's most senior judge, Tun Salleh Abas. Arafat put under pressure from all sides

Andrew Gowers in Geneva and Tony Walker in Cairo on options for the PLO chief

Malaysian judge quits tribunal

R YASSIR Arafat, Chairman of the Pal-estine Liberation Organisation, has embarked on a flurry of diplomatic consultations in an effort to muster support for plans to form a pro-visional Palestinian government and to declare an inde-pendent state in the Occupied

Territories. However, Mr Arafat faces significant obstacles in his efforts to fashion a political programme for the PLO, and there is considerable scepticism in both Western and Arabitations. circles over his organisation's ability to meet the challenge it

Mr Arafat plans, in the next several weeks, a hectic round of meetings and speeches to give an impression of "move-ment and visibility", as one Western official put it. The PLO leader is due next week to address a gathering in Cyprus of foreign ministers of nonaligned states, and in the mid-dle of September he is sched-uled to go to Strasbourg for a speech to the European Parlia-

cials are not certain he would be given such a forum.
The PLO chief, who met Mr

of Israel. The Arabs rejected the partition, which envisaged Arab and Jewish states along-side each other, and a "Special International Regime" for Jeru-

merely one of refugees. Western states and moderate

1967 war boundaries. The PLO chairman needs to

In the meantime, Mr Arafat-

concerned that prevarication or, worse, a damaging split in the organisation, may weeken his hold on a movement he has led since 1969. The growth of a new underground Palestinian leadership in the West Bank and Gdza, while it owes its allegiance to Mr Arafut, has shown itself impatient for results.

results.

Western officials, who were initially optimistic about the possibility of the PLO "putting its house in order", are now voicing reservations. "The more I think about this, the more scaptical I become," and one such official in Cairo.

amion C

milaril

The Egyptians themselves, who are seeking to play a "nursemaid's role" in encouraging the PLO to declare a provisional government and unveil a new political strategy, are counselling caution. Egyptian officials want to avoid any possibility of a split in PLO

that, if Mr Arafat were to embark on an adventurous new course that would involve new course that would havelve accepting Israel's existence, agreement would be forthcoming from Western governments, including particularly the US, and that they would be prepared to deal with the PLO and to bring pressure to bear on Israel to follow suit. "The Egyptians," said a Western official, "are anxious not to let the PLO run too far ahead of the PLO run too far ahead of

### N Korean debt plan unlikely to go ahead

By Stephen Fidler, Euromarkets Correspondent

Monsoon floods hit Bangladesh

A CONTROVERSIAL proposal envisaging the eventual waiving of 70 per cent of the commercial bank debt owed by North Korea's foreign trade bank is unlikely to go ahead, following strong opposition from most lending banks.

Morgan Grenfell, the UK merchant bank which negotiated the deal and leader of one of two syndictions and trade of two syndictions. of two syndicates of interna-tional bank lenders to the country, has said it can no longer recommend that other banks support the proposal. This is largely because of the fear that banks which went ahead with the deal would risk

becoming embroiled in a legal Dettle with dissenting banks led by Australian and New Zealand Banking Group, which heads the other main lending ANZ has been joined by Royal Bank of Canada and

Credit Commercial de France in e "co-ordinating committee" to lead the roughly 70 per cent of banks which opposed the Morgan Grenfell proposal. However, no response has so

MILLIONS of Bangladeshis are

stranded by monsoon floods that have killed at least 350,

and many will die from hunger

or disease unless foreign assis-

to clinic

up new talks with North Korea The Morgan proposal called for a new agreement under which the \$900m loans to the foreign trade bank would be taken over hy another North Korean institution, the Korea Daesong Bank, and given an explicit government guarantee. If the Daesong kept to a new schedule, under which it would repay 30 per cent of the loans over a three-year period, the

far heen forthcoming in the committee's attempts to open

rest of the debt would be waived. However, Morgan Grenfell believes this proposal could still be used as the basis for a settlement with the North Korsettlement with the North Kor-eans, perhaps involving the purchase of \$270m of zero-cou-pon bonds by the North Kor-eans to collateralise principal. Morgan had planned to call a meeting of all the 120 or so lending banks in the two syndicates to discuss the situation, but so far ANZ has declined to pass on this request to its syndicate.

mobilising whatever it has to help the flood victims but its

efforts must be supplemented hy aid from friendly coun-tries," Mr Mahbubur Rahman,

the Information Minister, told West German and United Arab

### Mandela moved

By Jim Jones in Johannesburg

MR NELSON Mandela, the black South African nationalist leader, has been discharged from hospital and transferred to a clinic to convalesce, raising expectations that the Botha Government is planning to

release him soon.

However, Mr Ismael Ayob,
Mr Mandela's attorney, says he
does not believe transfer to the Constantiaberg clinic in Cape Town represents "anything:

nificant". Mr Mandela, who has been imprisoned for 26 years, has been having treatment for tuberculosis at Cape Town's Tygerberg hospital for three weeks. After his discharge late weeks. After his instratoge rate on Wednesday evening, hospi-tal officials said he no longer needed hospital treatment but did need aftercare.

Though he has been trans-ferred to the privately-owned clinic, Mr Mandela remains a prisoner. None the less, the fact that he has not been returned directly to Pollsmoor prison is seen here as indicat-

ing the Government intends releasing him in stages. The Government is eager to free Mr Mandela, fearing black reaction should the 70-year-old black leader die in prison However the decision lies with President Botha, who is in a dilemma of his own making over Mr Mandela's refusal of conditional release and his refusal to renounce violence.

### **Pakistan** pledges to enforce budget cuts

By David Housego. recently in Islamabad

PAKISTAN is seeking to reassure the international financial community that it will still implement promised cuts in the budget deficit as part of a new borrowing package from the IMF.

But both the death of Presi dent Zia ul-Haq, and concessions that already had been made to husiness over new taxation, have inevitably raised donbts as to whether the big reduction in deficit financing promised in the budget can be achieved.

The budget presented two months ago by Dr Mahbub ul-Haq, the Finance Minister, foreshadowed a cut in the bud get deficit from 8.6 per cent of GDP to 5.4 per cent. This was to be achieved by Rs20.3bn (£668m) of savings including a Rs13.2bn rise in taxation. These stringent measures were brought in against a back-ground of creeping bankruptcy in the public finances with interest payments on govern-ment debt and defence absorbing almost 80 per cent of gov-

ernment expenditure.
The World Bank expressed its approval by releasing an agricultural sector loan for \$200m. The Asian Development Bank is expected to go ahead with a loan for a further \$200m and the IMF with a stand-by credit for \$400m. But an IMF team is expected in an IMF team is expected in Islamahad this month to nego-tiate a further \$500m struc-tural adjustment fund loan.

Dr Mahbab ul-Haq plays down the concessions he has made in response to the protests of the business community at the sharp increase in taxation. He says the net concessions amount to only \$\$\text{\$\tex{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\

President Ghulam Ishaq is a former Finance Minister himself, but one whose known personal differences with Dr Mahbub raised questions about the political future of the Finance Minister.

The President's expression

of support for Dr Mahbub does not remove all uncertainty over the budget. This is because Parliament was dissolved when the budget was prepared, and it will thus still need approval by the new assembly due to be elected in

### Egypt and IMF resume talks

EGYPT and the International Monetary Fund are due today to resume difficult negotiations on a new economic reform programme amid signs of incres ing pressures on the Egyptian

economy.
Worries about rising prices and foreign exchange short-ages are certain to cast a shadow over this latest round of talks in e stuttering process that has been going on for

most of the year.

Egypt is under pressure to conclude a new agreement with the IMF to enable it to return to the Paris Club for a second round of rescheduling of its mountain of government and government-guaranteed debt. Egypt and its mainly

Western creditors agreed in quickly to agreement on a new programme. He said the meetings would be part of a "furyear rescheduling covered ther round of consultations" on arrears plus psyments falling due between January 1987 and the end of June 1988. The IMF, the World Bank and donor countries such as

and donor countries such as the US have been pressing Egypt to hasten reforms of its debt-burdened economy. Egypt is being asked to increase energy prices further, and raise interest rates to encourage savings and restrain the budget deficit which last financial year reached about 19 per cent of gross domestic product.

A senior Egyptian official said it was unlikely the talks

proposed reforms. The May 1967 IMF agreement collapsed late last year after Egypt failed to increase prices and reduce expenditure in line with under-takings if had given.

A drying up of government-backed and commercial credits available to Egypt is adding to

available to Egypt is adding to pressures on the Egyptian Gov-ernment to conclude a new agreement with the IMF to facilitate another round of rescheduling. However, fears of social unrest caused by IMF in-spired price increases constitute a large barrier in the way of an early agreement,

were fanatic, hysterical and sometimes violent demonstra-tions by the prisoners. They chanted slogans against [Iraqi President] Saddam Hussein,

against the superpowers and in favour of Islam and Ayatollah Khomeini. Flags of the US and

Israel were burned."
The report said Iran had not

complied with the recommen-dation of an earlier UN report

which said pro-Iranian and

pro-trani prisoners should be kept separate after riots in which several were killed. Among the estimated 35,000

hanian prisoners in Ireq, the UN team found no evidence of systematic indoctrination by

systematic indoctring the iraqi authorities.

### Jerusalem Post faces challenge

In Jerusalem

AN UPSTART challenger to the venerable Jerusalem Post and its half-century near-monopoly of English-language journalism in this corner of the world hits the news stands today. Not that many potential readers or newsagents know what they are getting yet, so low-key has been its launch.

A 32-page tabloid sporting colour on its front and back pages, The Nation claims to be the first desk-top computer-published newspaper in the world. "There is no other paper in the world, like this," declares Mr Hesh Kestin, a former Forbes Magazine journalist, its editor and publisher. For the first month it will appear as a weekly, with a projected circulation of

projected circulation of 80,000-40,000, before going daily. But pessimists are predicting the newspaper's demise within three months.

"In the long run there is no room for two English-language newspapers," said Mr Ari Rath, managing director of The Jerusalem Post. His own, well-respected publication is kept in the black only by its overseas edition and outside publishing. Unlike the Labour-affiliated Unlike the Labour affiliated Post, The Nation insists it will not be associated with any political party; a rare boast in a country where most publica-tions serve as the mouthplece for sectarian interests. As evi-dence, there will not even be an editorial.

### Iran 'indoctrinated POWs'

By Andrew Gowers in Geneva

IRAN HAS used "mental pressure" to turn about 20 per cent of the estimated 70,000 Iraqi prisoners of war it is holding into religious fundamentalists loyal to Ayatollah Ruhollah Khomeini, the Ira-

thinnian knowledge, according to a report published by the United Nations yesterday.

The report, prepared during a two-week visit by a UN team to prisoners in both Iran and Iran warms that their warms. Iraq, warns that riots may break out among indoctrinated exchange of captives under the

exchange of captives under use UN Security Council's Gulf ceasefire resolution begins. It is a graphic illustration of the difficulties facing the Geneva-

based International Committee of the Red Cross when it takes over the task of repairiating prisoners, as it has been asked to by the UN.

beginning today would lead

The team's finding lends some support to Iraq's claim that significant numbers of Iragis held in Iran as a result of the eight-year Gulf war have been brainwashed by their cap-

While stopping short of using the word "brainwash-ing", it speak's of Iran's use of a form of "spiritual guidance" which "is indistinguishable from mental pressure "The results of this treat-ment are striking," it goes on. "In each camp we visited there

### Burma's president rejects calls for party to quit By Richard Gourley in Bangkok

PRESIDENT Maung Maung of Burma yesterday rejected calls for the ruling party he nomi-nally leads to relinquish power and set up an interim government before democratic elec-tions, despite some of the larg-est marches and strikes since nationwide protests began a

in a speech on Radio Ran-goon, U Maung Maung said the Government could not consti-tutionally concede to any more of the public's demands. Lest month, after huge demonstra-tions, he called a special party congress for September 12, at which he said a referendum on multi-party democracy would be discussed. He said there was nothing wrong with govern-ment policies, only with the way they were implemented.

The speech followed a day of public marches and strikes that included workers from most government offices and

corporations, diplomats in Ran-goon said. A group from the Defence Ministry joined the march behind a banner explaining who they were. And they issued a statement, simi-lar to one earlier this week from the Foreign Ministry, call-ing for an end to military domi-rated one next government. nated one-party government.

DATA SAFE '88 International Conference on Computer Security in Banking and Finance

Queen Elizabeth II Conference Centre

ce details from: **0733 558571** MINI-EXHIBITION OPEN ONLY TO REGISTERED DELEGATES

Bank of Scotland **Visa Card Interest Rate** Notice to Cardholders

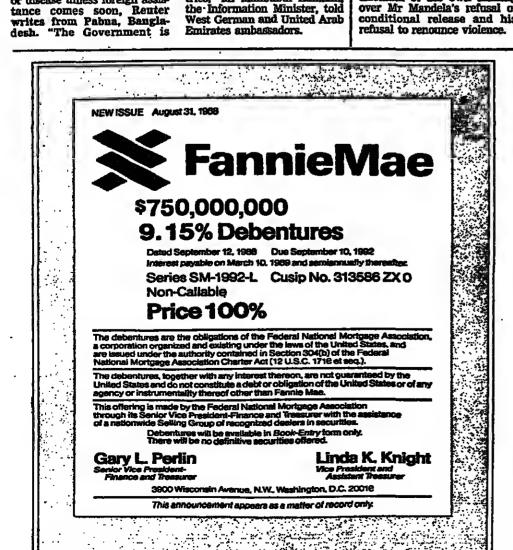
Bank of Scotland announces an increase in the monthly rate of interest charged to Bank of Scotland Visa Cardholders from 1.75% to 2% (equivalent to an APR of 26.8% for purchases and, typically, 27.4% for cash advances).

Interest will be charged at the new rate and shown on cardholders' statements issued from 15th September 1988 for balances left outstanding from statements dated 15th August and after.

Bank of Scotland Visa Centre, Dunfermline, Fife, KY99 4BS



BANK OF SCOTLAND
AFRIEND FOR LIFE



### **British experts** had checked ship's toxic cargo

A UK Atomic Energy Authority team inspected the poisonous cargo of the Karin B waste ship in June, it emerged yesterday.

waste ship in June, it emerged yesterday.

On Tuesday, Mrs Virginia Bottomley, the junior Environment Minister, said that one reason the ship was being refused permission to unload its cargo in Britain was that its composition was not known.

Yesterday Mr Ted Finnecy, the scientist who led the team of three from the Atomic Energy Research establishment at Harwell, said he had examined the consignment of waste at the Nigerian port of Koko at the same time as consultants engaged by Friends of the Earth and a third team from the United States Environmental Protection Agency.

He had gone there after the Nigerian Government asked for British Government asked for British Government asked for British Government asked for British Government asked the Coverses Development Administration.

In a way the Karin B as a political move that "had not contributed to good management of the waste. It encountages everyone else to reject it," he said.

"We cannot just leave this ship floating in the sea forever. We have to think of the crew. It is not something we should have washed our hands of. A little bit of the mud may still be sticking."

The Italian Government was last night facing yet further difficulties in its attempts to fified a haven for the Karin B's cargo.

The Dutch authorties said yetserday they had told the Netherlands on Wednesday that the Karin B could not dock at a Dutch port. Britain, France, West Germany, Italy and Spain have already turned away the ship.

Italy had not formally asked permission for it to dock in the Netherlands.

가 42M 호텔

e... 0 yo

17 x(2) WELL

್ ಬೀ.ಪು

: a = 10 mg

A . .

1 4 52 3

8 1. V2 555

4. 10%

alem

faces

enge R. 1. 1. 19

nd

Mr Finnecy criticised the Government's reaction in turning away the Karin B as a political move that "had not contributed to good management of the waste. It encountributed to good management of the waste. It encountributed to good management of the waste. It encountributed to good management of the waste.

### Non-union companies 'outperform the rest'

By Philip Baseett, Labour Editor

recognise trade unions outper-form unionised companies financially, especially those bargaining. The probability of recognise trade unions outperfinancially, especially those with closed shops, says a study.

The London School of Economics study indicates for the first time the impact of trade unions in Britain on wages, jobs, productivity and profits. It finds that in these areas unionisation is associated with poorer economic performance.

The study, by Professor David Metcalf, comes at a sen-sitive time for unions. Next week the movement seems certain to split when the Trades Union Congress expels the EETPU electricians' union.

COMPANIES which do not superior financial performance above-average performance in non-union companies ranges up to 67 per cent, compared with 51 per cent for those

which recognise unions.

Productivity: Unionisation is associated with lower labour productivity. At best it has no effect. The effect is greater in

larger companies.
Jobs. Previous UK Government-sponsored studies have suggested that non-union com-panies have seen greater employment growth, though subsequent research doubted

### Post union defers more action, calls for talks

By Michael Smith, Labour Staff

POST workers' leaders last night postponed plans for fur-ther industrial action after appealing to the Post Office for talks aimed at resolving a dispute over bonus payments.

However, thousands of workers in several large cities across Britain had still not returned to work last night following Wednesday's strike, which was originally planned for 24-hours only. Most were protesting at the Post Office's protesting at the Post Office's use of casual workers to clear up the mail backlog.

Mr Alan Tuffin, general sec-retary of the Union of Communication Workers, said in a let-ter to Sir Bryan Nicholson, Post Office chairman, that any talks would have to be without prior conditions being set by either side. "Further action would be suspended if unfet-tered talks were to take place,"

he said.
Mr Tuffin said later that the union would issue no further instructions ordering industrial action until it had received Sir Bryan's response. No time limit had been set.

The Post Office said that Mr.

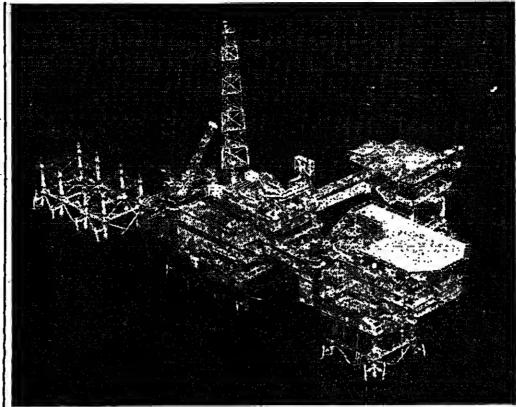
The Post Office said that Mr
Tuffin's position did not appear
to have changed. It was, however, seeking clarification from
the union about the contents of the letter.

The union's strike commit-tee yesterday decided on the next industrial action it will order, assuming that talks make no progress. Options include more 24-hour national strikes, overtime bans and selective strikes by areas or groups of workers. The union refused to say which of these it is planning.
Although the vast majority

of the 140,000 staff who struck on Wednesday, were back at work yesterday morning, workers in more than 15 towns and cities stayed out with full backing from the union's executive. The national dispute is over the Post Office's introduction

of pay supplements for new staff in areas where recruit-ment is difficult. Although it has offered to withdraw the The LSE uses evidence to The study's findings draw on academic surveys and include details on:

Profits: Non-union establishments are more likely to report scheme it wants to replace it with a similar scheme which would also incorporate the regional pay variations to which the union is objecting.



MRS MARGARET THATCHER, the Prime Minister, yesterday inangurated a gas terminal on the East coast of England, which will eventually handle some 20 per cent of Britain's gas requirements, or 2bn cubic feet a day, Steven Butler writes.

The terminal, at Theddlethorpe, Lincolnshire, operated by Conoco, the US oil company owned by Dupout, receives gas from a group of fields about 75 miles offshore which are known collectively as the 'V' fields. A total of nine platforms were built, including the central gas gathering station pictured above, for an estimated final cost of £632m, which is £133m under budget.

cause of poor reservoir performance in sev-

eral cases. The complex is probably one of the safest The complex is probably one of the salest offshore production facilities. Five satellite platforms are unmanned, while at the gas gathering station, separate platforms have been constructed for accommodation, production and metering, and wellhead equipment.

Compression facilities are to be added to another platform by 1990, as reservoir pressure facilities.

forms were built, including the central gas gathering station pictured above, for an estimated final cost of £632m, which is £133m under budget.

The lower cost has been achieved in spite of the need for additional development drilling declines.

The multiple platform structures at the gas gathering station were made economically feasible by the relatively shallow water, at 21 metres. In deeper water, a single structure would likely have to support all facilities.

Deliveries to British Gas are contracted to begin on October 1.

### Former GM truck operation to re-enter British market

AWD, formerly the General Motors-owned Bedford truck operations based at Dunstable, is re-entering the mainstream UK truck market from today.

A 47-strong UK dealer net-work is already in place and one will also be set up on the Continent next year, Mr David JB. Brown, AWD's chairman, end westerday

said yesterday.

Afr Brown, who bought the
Bedford truck operations from
GM at the start of last year for a reputed \$20m, said yesterday capacity to build 20,000 trucks

that part of the 67-acre Dunsta-ble site was to be sold for an estimated £20m. This would also save the company a further £4m in overheads.

The sales proceeds are to be ploughed back into the business with a £20m investment morramme.

Despite the property sale

- which included some 900,000
sq ft of Bedford's 2.8m sq ft
plant - AWD is retaining the

a year on a single shift.
"We might not need it now," said Mr Ron Hancock, the former Leyland Vehicles chairman who is now AWD's managing director, "but the day could come."

About 1,000 of this year's AWD production is to be of civilian trucks in the 6.5-17 tonnes range and are launched today as "TL' models – the same Mesignation formerly used by Bedford itself.

### Japanese groups in tendering list for rail workshops

By Nick Garnett

JAPANESE GROUPS, believed to be Mitsubishi and Kawasaki, which include train manufacture among their operations, have shown an interest in pur-chasing British Rail Engi-neeing (Brel) from the Govern-

They are among 12 compa-nies invited this month to ten-der for the business which employs 7,500 people at four locomotive and rolling stock production and repair sites. The other companies are

thought to include General Motors of the US, which has tried in the past to sell locomo-tives to British Rail, three UK groups and a number of Contipental European train makers.

The favourite to win Brel is a grouping made up of the management and workforce, Trafalgar House and Asea Brown Boveri (ABB), the Swed-ish-Swiss electrical engineering Mr Percy Barnevik, ABB's president and chief executive, said yesterday that his com-pany had signed a letter of intent with Trafalgar to make a formal bid.

The arrangement would involve the management and employee consortium holding at least 51 per cent of the busi-ness with ABB and Trafalgar owning equal minority stakes. The Mitsubishi/Kawasaki involvement provides further

evidence of the desire of Japanese groups to obtain a produc-tion foothold in the fragmented train making industry in Europe. The industry boasts at least 16 mainstream locomotive makers and already appears to be on the verge of an owner-

ship reshuffle.

Mitsubishi, which is bidding for two contracts for locomotives and high speed trains in Spain has offered to purchase Caf, a Spanish rail equipment

### **Cadbury Schweppes** advances by 28%

gronp, yesterday announced pre-tax profits of £81.7m for the half year, an increase of 28.5 per cent on the same period

last year.
The result was at the top end of analysts' estimates for the six months to June 18 and several upgraded their forecasts for the full year to between £215m and £220m.

Sir Adrian Cadbury, chair-man of Cadbury Schweppes, in which General Cinema, the US group holds an 18.3 per cent stake, said he had confidence in the outturn for the year.

Earnings per share, at 8.97p showed a 29.8 per cent rise on last year but this included a one-off change in accounting for Advance Corporation tax with Cadbury stripping out an underlying rise of 18.4 per cent. An interim dividend will be paid of 2.40p per share, up 14.3 per cent on last year's 2.10p. An extraordinary profit of \$29.8m was derived from the

CADBURY Schweppes, the sale of half of Cadbury's 34.4 confectionery and soft drinks per cent stake in Dr Pepper, per cent stake in Dr Pepper, the US drinks group which

merged with Seven Up.
Total sales at £1.063bn
showed an increase of 13.9 per
cent with the trading profit, at £89.2m, up by 34.3 per cent on the same period last year. Sev-enty per cent of the trading profit gain came from established businesses, the balance from a number of acquisitions including Poulain in France. Beatrice in Australia and Red Cheek in the US. Group trading margins improved world-wide from an average of 7.1 per

cent last year to 8.4 per cent. Confectionary sales, at £481m accounted for 45 per cent of sales but £51.1m of the trading profit, some 57 per cent of the total.

of the total.

Cadbury described its deal in the US with Hershey - to which it has sold its confectionery assets for \$300m and licensed its brands - as a foregraphic market driven. "pragmatic, market driven solution."

Lex, Page 16



### Creditanstalt isn't the biggest international bank.

Bang & Olufsen isn't the world's biggest hi-fi manufacturer.

The qualities that separate a good bank from a great bank have nothing at all to do with size. At Creditanstalt we combine innovative thinking with personal service and traditional Austrian discretion.

Our rapidly-growing list of clients is increasingly impressed by the diversity of our skills. From East-West countertrade (where we are second to none) to sophisticated financial instruments in the Euromarkets, Creditanstalt is earning a reputation for creative, efficient solutions.

### **CREDITANSTALT**

Your success is our success

Creditanstalt Head Office: Schottengasse 6, A-1010 Vienna. Telephone: (0222) 53131-1204. Offices in Budapest, Buenos Aires, Dubai, Hong Kong, London, Milan, Moscow, New York, Prague, San Francisco, Tokyo.

# Apple and the art of communication.

From the day we first introduced the Apple™ Macintosh™ personal computer, it has talked in a language that we can

is all too often held on someone else's computer system.

With a Macintosh, all is not lost. To open the dialogue with

a mainframe, for instance, you simply point at a symbol on the screen, click and you've made your connection. While on the mini-computer front, we connect easily and successfully with leading names such as Digital." And you can just as easily communicate with MS-DOS® or Macintosh personal computers. In each case, effortlessly exchanging and upgrading the information.

Whatever the system, people spend their time *using* the facts and figures, not puzzling over how to find them.

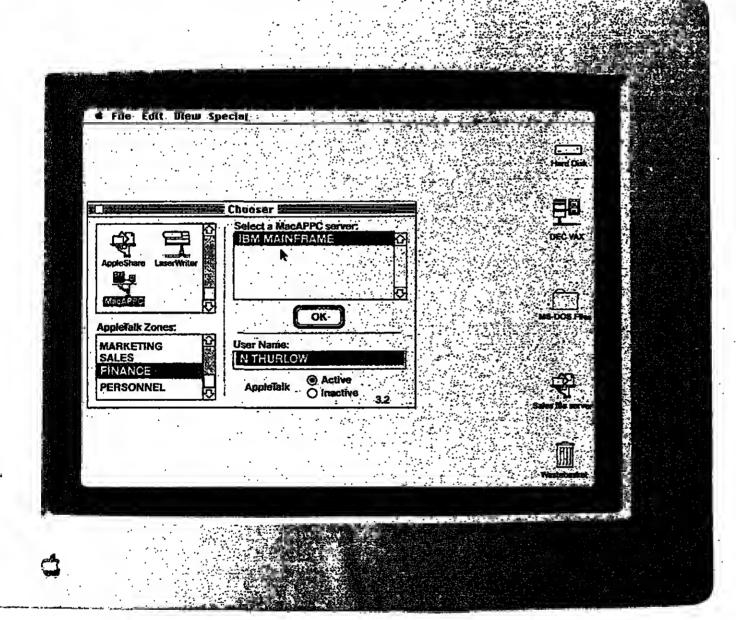
As a consequence, productivity improves by leaps and bounds.

To be precise, an in-depth survey, carried out by the accountants KPMG Peat Marwick, showed a 24% improvement with Macintosh users against their previous performance with conventional computers.

To discover more about Apple Computer dial 100 and ask for Freefone Apple.

It all goes to prove what we've always suspected; to succeed in business it's important to have the right connections.

Apple. The power to succeed.



### You simply point and click.

all understand. Instead of the mumbo-jumbo of conventional personal computers, it uses easily understood words and symbols such as files, folders and menus which, with the help of a mouse, speeds and simplifies operating. That's the bright side of the coin.

However, if you're running a management information system, utilising conventional mini or mainframe technology, you must be only too well aware of the communication problems.

The very information your people need to do their jobs

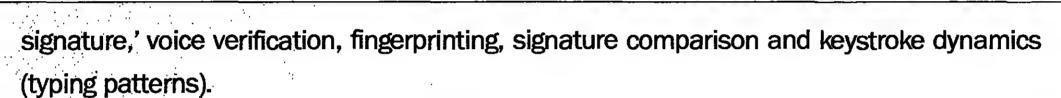
hat you see below is Biometric Security in action. The operator stretches out his hand. He places it on a measureplate in front of him. A three-dimensional image of his hand is then calculated. It takes into account the distance between fingers, palm thickness, even the translucency of his skin.

If the image matches his pre-recorded one, he is granted access to the computer.

Biometric Security devices authenticate a person's identity by matching a unique physical or behavioural characteristic.

Currently there are six types available. Hand geometry, retina scans or the 'eye

# ONE SMALL GESTURE COULD HELP SAVE £40 MILLION A YEAR LOST THROUGH FRAUD.



Together they form the most sophisticated defence against computer fraud. Indeed, they have been described as 'the Rolls Royces of the security industry.'

Installed throughout British Industry, they could go a long way to negating computer fraud altogether.

Yet regrettably they are employed in relatively few companies. That in itself gives just cause for concern.

But consider this: Computer fraud is just the tip of a £5 billion fraud iceberg. It is a fact that the majority of frauds are committed by disgruntled employees. That 75% of all frauds are for sums no more than £25,000. And that most frauds are discovered by accident or by tip-offs.

Unfortunately it is also true that many companies seem to have adopted a 'head in the sand' attitude to the whole problem.

They believe that their security is quite sufficient already. And that it is hardly management's responsibility to act as their employees' conscience.

At Ernst & Whinney, we take a different view. We believe that responsibility for preventing, detecting and limiting the effects of fraud lies primarily with management.

But we offer you more than just informed opinion. We've set up a group within our organisation to deal specifically with fraud.

We have specialists within the group who can help you create the most effective security system.

We can even assess the impact and consequences of suspected or proven fraud.

Call us today if you think we can help. More pointedly, call us if you think you are convinced we cannot.



# Air transport system 'faces risk of choking'

to long term success for the manufacturers.

Mr Reinder van Duinen s

memher of the board of the

Fokker aircraft company in the Netherlands, said the outlook

for the next 11 years to the end of the century in commercial aviation was for "uncertainty and turhulence". Low profit margins would remain in the

industry as a result of intensi-fied competition.

The aviation business was

"extremely marginal", he said. "The 172 members of the Inter-

national Air Transport Association rarely make enough profit between them in a year to buy more than one Boeing 747. Last year's combined net

profit was unusually good; they could have purchased half a dozen 747s with it."

He said the airframe and engine manufacturers fared

even worse than the airlines. Six of the major manufacturers

showed a net profit margin of

1.6 per cent last year between them. "Mucb of that profit came from government and

only the leasing companies were "riding high", with International Lease Finance Corporation making a 28.5 per cent profit margin last year.

Profit margins in airlines were tending to deteriorate fur-

ther as increasing competition

put pressure on market share and yields, just as huge invest-

ments were being made in new

in the world fleet last year.

Fokker estimated that this number would rise to 11,000 by 2000. One US analyst estimated

that airlines would spend

\$339hn on new airliners between 1988 and 2000.

ered this year would come to \$18.5bn. By the late 1990s, air-

lines would have to find more

\$30bn a year.

The industry faced pressure on profits, huge financial com-

mitments and widening compe-tition, yet the airlines remained one of the few indus-

tries which were expected to grow in real terms almost ad minitum, he said.

Mr Sydney Gillibrand, the

managing director of the civil aircraft division of British

Aerospace said the company

was optimistic about new

countries. The BAe 146 had

already been sold to China. "We may not sell hundreds of

aircraft to the east, but glas-

nost has opened the way for

opportunities in Eastern of

The bill for jet aircraft deliv-

There were 7,000 jet aircraft

By Lynton McLain

CONGESTION AT airports in Europe, North America and Australasia which handled half of all passengers would mean the imposition of restrictions on aircraft numbers by the end

of the century.
This would constrain the development of air transport over the long term, Mr Stuart Iddles, senior vice-president (commercial) of Airbus Indus-trie, said in London yesterday. He told a Financial Times

conference on commercial aviation that airlines faced problems and restrictions that could "easily choke the air transport system long before the end of the century."

the end of the century."

By then, 24 airports in

Europe, 59 airports in north

America and between 12 and 15 airports in Australasia "will be movement limited". These air-ports handled around 55 per cent of all passengers. Already the air traffic control system is approaching saturation in key

in the US last year, delays caused airlines to lose the equivalent of almost 100 days in aircraft operating time every day. Mr iddles said that based on a typical 10 hours per day use of each aircraft, the losses implied that the airlines had to add 235 aircraft to their fleets simply to compensate for the delays.

Eighty per cent of these delays were air traffic control problems, including weather and an excess volume of air

Problems at airports cost US airlines \$2hn, or 4 per cent of revenue last year. This exceeded the total airline industry profits in any single year. Every US flight suffers from an average delay of 15

The problems were not confined to the US. In the first quarter this year, half of Lufthansa's passengers were delayed, through no fault of

Other problems for airliner manufacturers included cash flow considerations. These were certain to limit new civil aircraft programmes on each side of the Atlantic to about one new project every seven to 10 years. Europe had launched five new major aircraft types in the past 19 years, as Europe caught up with ground lost to the IIS airline manufacturers. Boeing bad launched three new programmes in the past 20

Mr Iddles said a full range of airliner products was essential

to help airline customers and co-operation."

### **Dublin set** to win talks with King on violence

By Michael Cassell, Political Correspondent

THE BRITISH Government yesterday appeared ready to accept the request from Dublin

accept the request from Duhlin for an early meeting of the Anglo-Irish conference to discuss the latest upsurge in violence in Northern Ireland.

Mr Charles Hanghey, the Irish Prime Minister, called for the unscheduled meeting on Wednesday night and it is likely that Mr Tom King, the Northern Ireland Secretary, will agree to meet Irish minis-

Northern Ireland Secretary, will agree to meet Irish ministers as early as next week.

The situation in the province, and in particular the shooting earlier this week of three IRA members in County Tyrons, is expected to be raised at a meeting today of the Irish cabinet.

Anxiety is mounting in Irah.

Anxiety is mounting in Dublin after the latest shootings that Whitehall has opted for incraasad deployment of undercover troops among new security measures designed to cope with the recent escalation

Although the Irish Governas being of key importance in curbing terrorism, ministers will press for greater political advances and re-emphasise their readiness to be involved in any new initiatives.

A big security operation will be mounted in Northern ireland today for the funerals of two of the IRA men shot dead on Tuesday. Extra police were drafted in

to Longhmacrory, Tyrone, where the funerals of Mr Gerard Harte and his brother Martin will take place. Security forces are determined to pre-vent the IRA from turning the burials into a paramilitary

show of strength.

Two suspected IRA terrorists were being held in a top security prison in West Germany today after being arrested in connection with recent bomb attacks at British Army bases.

The two men were named as The two men were named as Mr Gerard Thomas Hauratty and Mr Terence Gerard McGeough, both 29. The German Chief Federal Prosecutor's Office said they were suspected of taking part in two bomb explosions in Duisberg and Dūsseldorf and of attempted murder, Twelve British servicemen and a Ger-British servicemen and a German civilian were injured in

The terrorists who planted the recent series of bombs at British bases and shot RSM Michael Heakin in Ostend almost three weeks ago are believed still to be at large.

### Policy condemned as inefficient way of supporting farmers

guidance section

### CAP that fails to fit European consumers

BRITAIN'S National Consumer Council yesterday hilled its new report as "the most comprehensive, damning and con-troversial indictment of the European Community's Common Agricultural Policy ever produced by a consumer organisation".

Putting the hyperbole aside

for there is little new in the
criticism of the CAP which the
Govarnment-appointed consumer body has to offer — the NCC may well be right. One of the most notable features of the current debata on the reform of Europe's farm policy is the hitherto virtually non-existent role of the European

There are some obvious rea-sons for this. Consumers as a body are much less easy to organise than farmers, while particularly in the rich, northern and politically infuential countries of the EC a relatively small proportion of the family budget is spent on the high-priced food which the CAP sup-

In other parts of the Commu-nity, such as Greece, where nearly 40 per cent (compared to the EC average of 18 per cent) of the weekly household bill goes on food, consumers are even less well organised. Nevertheless, as the NCC

report shows, while the major criticism of the CAP in the past few years has concentrated on its budgetary cost, its hidden costs are much larger. And these are mainly borne by

**Total EC budget 1986** 

the consumer.

The NCC is highly critical of the CAP for its effect on the consumer, as well as for being an inefficient way of supporting farmers and for diverting funds from other RC sectors. funds from other EC sectors.

. Its judgment of the CAP's conomic effects on consumers relies heavily on a number of existing studies undertaken in the UK, in Australia and by the OECD in recent years. It rightly enters caveats about

the conclusions: all the studies, for example, judge the effects of the CAP against the completely free trade (or effectively

Acricultural fund-

quarantee section

(orice policy)

Agriculture fundfisheries and misc.

no policy) alternative.

However, all the studies quoted by the NCC indicate the relative size of the problem.

Compared to this year's budget cost of the CAP of Ecu 27bn (about £18bn), the consumer cost of the CAP to the Community of 10 in 1984 was estimated nity of 10 in 1984 was estimated by a British study to be Ecu

The Australian Bureau of Agricultural Economics has shown consumer costs, at 1982 prices, ranging between Ecu 12.3bn in 1974-5 and Ecu 42.5bn

CAP expenditure 1986

in 1978-79. The OECD, using a measure called the consumer subsidy equivalent, estimated that annual consumer costs for 1964-86 exceeded Ecu 50bn "or £122 a year per man woman and child" in the Community

The NCC's answer to the CAP's inefficiencies is to call for radical reform. It would, for example, abolish one key aspect of the CAP, price sup-port for the commodities farmers produce, and replace it with direct cash income sids. But it rightly says that no fundamental reform of the CAP is. likely to be possible without an equally fundamental reform of

the decision-making process on farm policy within member states

In that process, as it notes, farmers' organisations have a powerful role while consumers have at present virtually no

role at all.
Ironically, perhaps, the most useful new contribution of the NCC to the continuing debate on agricultural reform is to provide, in considerable detail, evidence of the weakness of European consumer move-

It is clear, the report says, that despite national variations nearly all EC governments are under great pressure from the agriculture lobby which wields political power. In con-trast to the effectiveness of the

trast to the effectiveness of the farming lobby, organised consumer representation appears weak and disparate.

"Lawring unions They have to cover a wide range of consumer issues. They have difficulty dealing with EC issues because of the costs, the adminstrative problems and their relative remotness from Brussels

Agricultural Policy. National Consumer Council; HMSO

### Scots seek to play on traditional theme

James Buxton examines efforts to capitalise on the scenic land of tartan and whisky

ORD Sandarson, the Scottish Office's Tour-ism Minister, bares his teeth in irritation when he contemplates tha negative atti-tudes to new projects and the sometimes grudging service that afflict parts of Scotland's tourist industry.

"We can't afford to have a

sales prevention officer atti-tude to tourism in Scotland,". he snaps. "But in some areas it seems to go against the Scot-tish nature to sell Scotland."

The Lord, a Conservative businessman who entered government last year, is trying to pull together what has often been a disparate government effort to develop tourism north of the English border.

The signs are that much of

The signs are that much of Scotland is having a good tour-ist season this year. The Glas-gow Garden Festival for example, which started with two of the sunniest months Scotland the sunniest months Scotland has seen for years, is already within a hair's breadth of meeting its target of 3m visi-tors and has another month to

For the longer term, some big tourist development projects are being talked about - notably golf courses and hotels - and a number are pro-ceeding. Yet many in the industry believe Scottish tour-ism is not fulfilling its poten-The number of visitor bed-

nights in Scotland, consistently running at about one tenth of the British total, has fluctuated over the past decade. Visitor spending, however, has risen by a third in the past two years and came close to £2bn last year. Dr Gordon Adams, director of projects at the Scottish Tourist Board, We aren't presenting our facilities as well as we might. We require more fiair.

In the Highlands, tourism is held back by a shortage of attractions which give people something to do when it rains. Edinburgh has, at least until recently, been complacent about providing better facilities for its tourists. Bold projects to attract more visitors to

tle, or to persuade people to stop on the border at Gretna

Green, encounter some enthusiasm, but also sour, critical letters to the newspapers.

It is particularly important that Scotland should make the most of tourism — which is consider an expectation of the property of the state of the state of tourism is the state of tourism of tourism of the state of tourism of tourism of tourism of the state of tourism of t already employs 135,000 people, 7 per cent of the labour force - because it could offer a product which, like Scotch whisky or Scottish knitwear, cannot be obtained elsewhere. "Scotland has an extremely strong mar-ket image, especially abroad," says Mr John Heeley of the Scottish Hotel School at Strath-

clyde University, "yet the per-formance is disappointing."

That image embraces a romantic history displayed by rugged castles and fine man-sions, magnificent scenery, bracing golf courses and rushing salmon rivers, tweed, tar-tan and bagpipes, and cultural events such as the Edinburgh festival or Glasgow's Mayfest. "You can envisage Scotland as one big theme park," says Dr

But romantic figures like Bonnie Prince Charlie and Mary Queen of Scots, says Mr Heeley, are "done to death – avery castle has a room Mary Queen of Scots slept in." On the other hand too little is done to promote existing attractions better and create new ones. Loch Lomond, he points ont, has superb scenery, wildlife and even a song about it, yet there is virtually nothing there to keep visitors for more than a few minutes and give them something to spend money on. Dr Adams says that Scotland

has been slow to promote its industrial heritage for tourism: "It often seems to be too recent and politically too sensitive."

Mr Heeley points as an example to the factories and buildings at New Lanark, where the early 19th century industrialist Robert Owen made enlightened social provisions for his workers, "Until 10 years ago it was in danger of being razed to the ground and is only being developed on a



Bagpipe player: giving tradition a push

piecemeal basis. Some things are changing. Tha Scottish Office, through the Historic Buildings and Monuments department, is spending £6m to improve Edinburgh Castle. But while other projects are in the pipeline for Edinburgh, critics believe more is needed.

A more ambitious scheme is planned for Stirling Castle, magnificently located on a rock atop a town full of interesting sights, but a site marred by a lack of shops and by the pressure of cars and buses making their way through the narrow streets. Leisure consultants L & R have devised an £8m scheme under which visi-tors will ascend to the castle and the town by funicular rail-

Equally radically, they are proposing to take over manag-ing the castle from Historic Monuments and Buildings and provide more imaginative dis-plays and entertainment. Stirling's Labour Party council favours the scheme, but some residents oppose the funicular

rallways on conservation grounds – although L & R considers them essential to their investing in the project. The project raises the question of the degree to which Scotland tracts to adapt its heatern. wants to adapt its heritage

L & R have also, at the
request of the Scottish Devel-

opment Agency and the Scot-tish Tourist Board, drawn up a scheme for Gretna Green, the village on the English border once famous for solemnising runaway marriages but now almost totally bypassed by visitors. They propose a tunnri of love and a visitor centre for lost and a visitor canne us last-minute purchases of Scot-tish specialities. Visitors might even be able to buy a Scottish passport and have it stamped. It has been denounced by a local councillor as "another bloody Disneyland."

Mr Eddie Friel, chief executive of the Greater Glasgow Tourist Board, believes that Scotland needs a full scale review of its tourist potential. "You can't have patchwork-quilt development. Someone's got to sit down and decide

want to be in, analyse our strengths and weaknesses, decide what market share we want and allocate the

7.1

James of Deposition

Jan Bar

2Q ... 14 7

14.235 - 8

18 (m) 1 4 4 5

624 W 42

Same in a STORE CAR

A STREET

Britiste.

Sept Brief The

The second

State of the

Wat I'm a to

dies and second

A CONTRACTOR OF

A ST NEWS AND AND ADDRESS OF THE PARTY OF TH

Marie Wall

The same

BHIAT

Maria Carlo

resources to get it."

Mr Friel, a blunt Ulsterman, speaks with some authority. He is partly responsible for probably the biggest recent success in Scottish tourism: getting the annual number of resources to get it." visitors to Glasgow up from 700,000 in 1982 to 2.6m last year. The opening of the Bur-rell art collection accounts for part of that and he claims credit for selecting and targeting markets and, through his involvement with arts organisations, persuading the city's theatres and concert halls to stagger their holidays so that Glasgow now hums with enter-talument throughout the sum-

Lord Sanderson says that there is no case for a "great report" on Scottish tourism – although Scotland will be involved in the review of tourism in Britain which Mr Norman Fowler, the Employment Secretary, announced in July. But he is firmly welding together the various government bodies which promote Scotland and fund tourism development. These include the Scotlish Tourist Board, the Scotlish Revelopment. Scottish Development Agency, the Highlands and Islands Development Board and the British Tourist Authority. Between them they spend about £30m on Scottish tourism. "The tactics have been fully covered in the past," says Lord Sanderson. "This is where we work out strategy."

This consists of a mixture of government pump-priming to attract private sector investment and trying to convince more Scots that they must try to give the visitors what they want. "The other day I tried to get a bar lunch in Oban" (the pretty ferry and fishing port on the west coast) "but the place I went to told me they didn't serve them after 1.30pm. Now. on a wet day in Angust that's just not good enough," said Lord Sanderson.

### Prescott camp claim lead in Labour poll

By Michael Cassell, Political Correspondent

THE propaganda battle in the contest for the deputy leader-ship of the opposition Labour Party was stepped up yester-day with renewed claims that Mr John Prescott could defeat Mr Roy Hattersley in next month's ballet

Mr Roy Hattersley in next month's ballot.

The suggestion brought a swift retort from Mr Hattersley's supporters who claimed it was based on "faniasy" and who confidently predicted victory for Mr Neil Kinnock as party leader and for Mr Hattersley as his deputy.

The Prescott camp claim was backed by a computer projec-tion of the election result. Mr Prescott's supporters are not predicting victory but they believe the result will be close and that the next few weeks will be decisive in determining

will be declayed in decentaring the outcome.

Mr Dick Caborne, the MP for Sheffield Central and Mr Pres-cott's campaign manager, said yesterday that he was more confident of victory than at any stage since tha contest began. He added :"The out-come is wide open. Our chances improve by the day." Last month, supporters of Mr Hattersley, the party's dep-uty leader, claimed that their

candidate would comfortably beat Mr Prescott when Labour's electoral college votes on the eve of the party's con-ference at the north-western resort of Blackpool in October. The Prescott camp's latest

analysis suggests that Mr Hat-tersley is doing badly in the constituency section of the electoral college, which wields 30 per cent of college votes. It claims that the party's deputy leader will be beaten into third place by Mr Eric Heffer, who is also contesting the deputy leadership, with Mr Prescott taking nearly half the votes

held by the constituencies. Mr Prescott's support among Labour MPs, however, appears to be running at about haif the level being recorded by Mr Hattersley, who looks likely to win a comfortable majority of the 30 per cent of electoral col-lege votes commanded hy members of the parliamentary

The key to the result will lie. however, in the hands of the trade unions, who account for 40 per cent of college votes.

Mr Robin Cook, Mr Kinnock's campaign manager, said the Prescott camp was now conceding defeat in two out of three electoral college sections.

DEACON MORGAN MCEWEN EASSON LIMITED



is pleased to announce the opening of its United Kingdom and European office

> Suite 301, Guild House 36 - 38 Fenchurch Street London, England EC3M 3DQ

Tel: 929-5614/18 Fax: 929-5451 Telex: 916 940 (Deacon G)

Maynard Marceau, Managing Director

Nicholas Powell

Deacon Morgan McEwen Easson Limited is a Canadian international investment dealer

Mark MacLean

institutional and private client services. The Company prides itself on its independence, quality of research and financial strength. Toronto, Montreal, Vancouver, Hamilton, Victoria

London, England - Sydney, Australia

Members of Toronto Stock Exchange, Montreal Exchange, The Investment Dealers Association of Canada and The Securities Association (U.K.)

Sime Darby Berhad (Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY **GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at Sarawak Room, Shangri-La Hotel, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Monday 19th September 1988 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions:-

"That the Directors of the Company be and are hereby authorised:

(i) to establish and administer an Executive Shara Option Scheme for confirmed executive employees of the Sime Darby Group and full time executive directors of the Company to be known as "Sime Darby Executive Share Option Scheme" ("the Schema") referred to in the Circular letter dated 2nd September, 1988 and details of which are contained in the Appendix hereto and subject to such amendments to the Scheme as may be mada or required by the ralevant authorities including any revisions to the share allocation to eligible executive amployees as may be determined by the Ministry of Trade and Industry which are acceptable to the Directors and which might requira shares to be issued after the expiration of the approval hereunder of the Scheme;

(ii) to make the necessary applications and do all things necessary at the appropriate time or times to Tha Kuala Lumpur Stock Exchange, Stock Exchange of Singapore Limited, The International Stock Exchange of the United Kingdom and Republic of Ireland Limited and any other relevant stock exchanges upon which the shares of the Company may for the time being be listed for permission to deal in and for quotation of the new shares of tha Company which may from time to timabe issued and allotted pursuant to the Scheme.

(iii) that, in accordance with the provisions of Section 132D of the Companies Act 1965, the Directors be and are hereby authorised, from time to time to issue and allot such number of shares in the Company to aligible executive employees of tha Group and Executive Directors of the Company pursuant to thair axercise of the Option under the Scheme and

to modify and/or amend the Scheme from time to tima provided that such

modifications and/or amendments are effected in accordance with the provisions of tha Schema relating to modification and/or amendment and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full That the Company be and is hereby authorised to offer to Tunku Dato' Seri Ahmad bin Tunku Yahaya who is a director and in tha full-tima employment of

the Company an option to subscribe for 100,000 shares in the Company under That the Company be and is hereby authorised to offer to Mr Martin Smith Berry who is a director and in the full-time employment of the Company an option to subscribe for 100,000 shares in the Company under the Scheme.

Kuala Lumpur 2nd September, 1988 Mohamed Haji Said Group Secretary

A member of the Company entitled to attend and vote at the above meeting is also entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

### MANAGEMENT

**Employment** 

### Now for the shock treatment

Charles Leadbeater talks to the new head of Britain's Training Commission

ritish businesses are nies in far flung parts of the about to get a shock, world, which he still manages from his office at the Wembley Wolfsen, who yester sports, conference and enterday took over as chairman of the Training Commission, the Government's job training

As one would expect, Wolfson speaks with passionate commitment about the centrality of training, and skills, to competitiveness of British

It is the language of the growing and fashionable training industry. But it comes with a drive, clarity, and determina tion which promises to shake up the commission, employers

"Let us define the tasks, and get down to the job of really improving the way we train people, especially in employ-ment," he says. As he enters the labyrinth of the commission's delicate tripartite consultative arrangements, gov-erning a plethora of government schemes and initiatives, from youth training to management training and university education, it might seem a naive hope that it could be so straightforward.

But Wolfson's track record suggests he could make it that simple.

10

Born in Liverpool, the son of parents who were equally active in business, he left school at 16 in 1935 to start work in the family engineering firm, after his father's death. He had to give up a place at university. I tried to study as well as work and it was not possible. It was a choice, carry on working or do a law degree. I plumped for work."
It could be his motto.

At 26 he moved to Granade. the television company, after running two engineering busipesses in the north-west. Two years later he was put in charge of the company's newly founded TV rental business, and at 32 he was joint managing director of the entire busi-

Three years later he parted company with Granada to set up an international cement machinery business in co-operation with a West German' company. Between 1970 and 1977 he was in south east Asia, building up the company.

He sold most of that business in 1983-84, retaining six of-

tainments complex in north-London.

In 1984-85 he brought together the consortium which now runs the Wambley com-plex, and has helped to raise the throughout of customers by 4m to 7m a year.

He has catholic interests, ranging from passionate sup-port for Liverpool PC, to wild-life photography, art and archaeology.

His background has given him a clear view of what makes for a successful business. My experience in all the countries I have worked in tells me that the things which mark out a successful company from an unsuccessful one, a successful country from an unsuccessful one, are the skills of the people and the way they are managed and led in busi-

"It's not a matter of getting people qualified before they enter work, but keeping them qualified throughout their working lives. That is what we are bad at in this country." He speaks as someone with no formal post-school qualifications.

Wolfson's plan is to develop
the commission as aggressively
as he has developed his businesses. He will continue to work at Wembley, with the commission chairmanship as a part-time appointment. But initially he will give it as much time as it needs.

He sees two parts to the commission's future work. He

mission's future work. He regards even major programmes targeted at particular groups, like the long-term unemployed as almost one off, special ventures, which will eventually become obsolete. Other programmes, like the pre-work Youth Training Scheme, will be permanent fea-tures of the labour market. He hopes to match the YTS with a similar programme for the d retirees.

elderly and retirees.

If would be great if we were the first country to have a. comprehensive training system for retirees to return to work with new skills in new jobs. We will need it with the downturn in the number of young people coming into the labour market in the next decade," he

1983-84, retaining six of says.

nent machinery compa. Beyond that his main task is

Value of the second

to redirect the commission. It began life in 1973 as the Manpower Services Commission, and has been responsible for developing special employment measures to help the unemployed back into work. Now, Wolfson plans to launch a sec-ond front, with a concerted

campaign to improve training for those in employment. That is the real issue because in the long run all our attempts to bring down unem-ployment will depend on strengthening the economy, and thet means raising the skills of those in employment. We have to get employers We have to get employers to take training more seriously



Brien Wolfson; determined ,

and persuade people it is vital for them to invest in themselves," he says.

But this has all been said before, time and again. Why should Welfson succeed?

One of the first things he plans to do is to launch a campaign of exhortation and example, distributing clear, simple examples of how companies have improved their perfor-

Though this promises to be more sustained than any previ-ous campaign, he acknowl-edges that exhortation may not be enough.

Many large, internationally competitive companies are training much more than they used to. But there is a great swathe of companies which is they are small companies

which simply do not have the resources to free people for training. It is those people we have to get to."

Wolfson's retail and marketing skills, plans to bring together, and to repackage, training materials from a variety of sources, to make sure they are available in a wide variety of forms - distance learning packages, courses in colleges.
If , however, exhortation,

and encouragement fails, "then we will have to consider a much wider range of options," he says. The implication is that if persuasion falls, it may take short, sharp shock to raise company performance. The logic of his position is that it might take statutory action by government to improve employers' training provision. His energy, clarity and directness will be a shot in the arm for the commission. But it will also be a shock for a body which still works with a cumbersome culture of corporatism inherited from the 1970s. He admits that he had not realised how political the

chairmanship would be, and seems unsuited to the engineering the delicate compromises and fudges required to reconcile the conflicting demands of government, unions, employers, voluntary, voluntary bodies, local authorities, the unions, employers, and government. He does not seem unsettled

by the impending threat of a vote at the TUC to withdraw co-operation from the Employment Training programme, for the long-term unemployed. Nor does he seem dannted by the past tension between the commission and the Government over the launch of the unsuccessful New Job Training Scheme, and the design of the Employment Training pro-

He will develop his political skills, he says, with a relish for learning something new. He listens intently as well as speaking forcefully. But he has no intention of becoming a poltiician. His role will not he to create a consensus around poli-cies which already exist, but to drive the commission forward. If they do not like the way I do it they can always sack me," he says, only half joking.

He is a man used to doing it.

his way or not at all.

been no big bankruptcles to highlight the plight of the weak. No mass redundancies. Few plant closures. Neverthe-less, there are companies which are making heavy losses, including a handful which have been driven to the brink of collapse.

Akai Electric, a consumer

electronics company, is one of the unfortunate few. its accu-So the commission, with mulated losses since 1985, when the yen started its relentless rise against the US dollar, total Y14.4hn (£68m). Akai would almost certainly have gone bankrupt if it had not belonged to the Mitsubishi group, the higgest of Japan's loosely-linked industrial com-

> The group rallied around Akai in a way which dramatic-ally illustrates how these combines work. Mitsubishi Bank and Mitsubishi Electric, two of the largest Mitsuhishi compa-nies, provided Akai with new funds and new management. But the price of Akai's salva-tion has been the virtual loss of its independence. Seven of its eight most senior executives, including the president Makoto Okada, now come from outside the company. Tsuneo Ota, one of Akai's managing directors who came from Mitu-bishi Electric, says: "Without support from Mitsubishi group it would have been very difficult for Akai to be recon-

The cause of Akai's difficulties was its dependence on exports, which were 80 per cent of sales when the US dollar started falling in 1985 and had previously been as high as

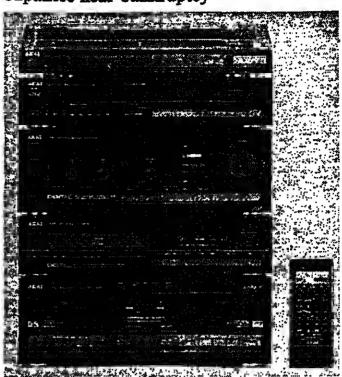
This excessive reliance on overseas markets was deep-rooted. Founded in 1929, Akai made its name after the war as a specialist maker of tape recorders. It diversified into making a range of domestic audio equipment, including cassette tape machines, and later into video tape recorders. But Akai was a market fol-lower, not leader, and allowed others to reap high margins on

innovative products. Moreover, even in export markets, Aksi did not establish itself as well as some of its rivals. It was big in Europe but very small in the United States. It falled to take advantage of the surge in overseas growth of the Japanese consumer electronics industry in the 1970s. Its profits peaked (at Y3.1bn) as long ago as 1970. Meanwhile, Akai neglected the bome market. Ota says

that Akai deliberately stuck to

### o many Japanese compa-nies have been successful in the fight against the high yen that it is easy to over-look the fallures. There have Akai: avoiding the off-button

Stefan Wagstyl on Mitsubishi's rescue of a Japanese near-bankruptcy



Akai has tended to follow, not lead, with products-

the export market because margins were higher.

As a result Akai never became a financial powerhouse. When the yen began to rise in the mid-1980s, other exporters were sble to increase sales at home. This was true not just of the industry leaders - Matsushita Electric and Sony - but even second rank companies such as Pioneer Electronic. Akai lacked the necessary resources.

Akai managers were aware of the company's vulnerability.
They tried to keep up with the competition by launching their, first compact disk player in 1983, getting into the new mar-ket early. But the ground was cut away from under them by a sudden and sustained fall in the price of video recorders. which accounted for 40 per

The company reacted by launching a big new sales drive in the US in 1985. The timing could not have been worse - the campaign coin-cided with the beginning of the dollar's 50 per cent fall in value against the yen. In the year to November 1985, Akai chalked up record losses - Y7bn.

Faced with an increasingly untenable situation, Akai's management asked Mitsubishi Bank for help. Akai was by no means a core member of the Mitsubishi combine: the chief link was through a 72 per cent stake held by Mitsubishi Bank, Akai's main bank. Mitsubishi Electric held just 2.5 per cent.

In Japan, these boldings are much more important than they seem - combines are expected to support even their peripheral members. But they are entitled to extract a price.

At a series of meetings, senior staff at Mitsuhishi Bank and Mitsuhishi Electric sometimes with Akai executives present and sometimes not - put together a rescue package. In 1986, Okada arrived from Mitsubishi Electric to become president fol-lowed by about 20 other senior staff, drawn from his company

Mitsubishi Electric injected Yl.38bn into Akai and became the company's largest share-holder with a 7.7 per cent stake, Mitsubishi Bank meanwhile extended new loans to

keep Akai afloat. The details of Akai's survival strategy were subse-quently hammered out at talks etween Akai, Mitsubishi Electric and Mitsubishi Bank. It is a measure of Akai's loss of independence that these discussions still go on, two years later, at various levels in senior and middle management. In particular, Mitsubishi Electric has secured great influence over the whole range of Akai's operations - from neering, to production and

The first priority for the new management was to reduce costs. The overseas sales network was cut by closing offices in four countries - including the US and Canada - where Mitsubishi Riectric has become the sales agent

Akai closed its main Tokyo factory and surrendered control of its remaining Japanes production plant in nearby Saitama to Mitsubishi Electric and Mitsubishi Bank. The payroll was cut by 1,000 people to

Akai now plans to reduce its dependence on high-cost Japanese production and increase purchases of products and components from low-cost countries in South East Asia.

Cost-cutting resulted in a sharp reduction in losses from Y7.1bn in 1985, to Y2.2bn in the year to last November. A small loss is expected for 1988 and a break-even result next year.

Meanwhile, the new manage ment is trying to revitalise sales, which have declined steadily in yen terms for most of the last five years to Y60bn in 1987. It is expending a business started in 1984 to make electronic musical instruments and last year ventured into the medical equipment market with a compact electrocardio-

But the biggest change has been s joint attack with Mitsubishi Electric on the domestic audio market. The two compa-nies last year launched a new executives talk proudly about their new brand. They hope it will help boost domestic sales to 30 per cent of the group total by next year. But nothing symbolises the

decline of Akai better than the fact that the company did not use its own name in its first real assault on the domestic market. The name which hangs on a huge banner on the group's 10-storey headquarters building is not Akai but A&D.

### TECHNOLOGY

### Taking the heat out of a toxic mountain By Robert Gibbens

SCIENTISTS at Canada's National Research Council have developed a process capa-ble of extinguishing a growing stock of dangerous chemicals. The manufacture of polychlorinated biphenyls (PCHs), as a coolant used in oil in electric transformers, was bequed in North America in 1978. But bringing in replacements con-taining a different type of cool-

ant is taking many years. Waste oil containing PCB has been accumulating at stor-age sites across Canada, in old transformers and in barrels The current inventory is estimated at about 40m kg.
The danger is that the stuff

will catch fire, as happe last week at a warehouse containing old transformer oil.

A dense cloud of smoke was sent over a suburb of Montron! and about \$,000 people were evacuated from their homes. They still had not been

allowed back on Wednesday of this week, eight days after the fire broke out.

The principal hexard is that because this sort of fire involves comparatively low

involves comparatively low temperatures, two highly toxic chlorine derivatives, dioxins and furans, are released and deposited in the soot.

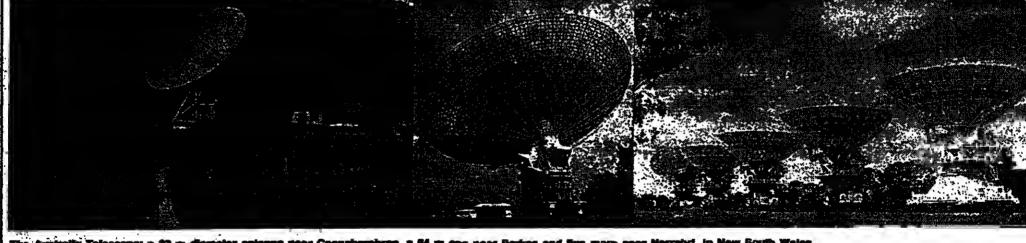
To deal with the piles of waste containing PCBs, scientists at the NEC have paramed a neutralization process. They have asked Canadian companies to apply for licences to use the technology.

The process involves adding

The process involves adding a chemical substance to the PCBs. The mixture is heated to below 100 deg C for several hours and the chlorines are removed by neutralisation.
What remains can be safely
burned at relatively low temperatures, NRC scientists say. They claim the process is

more energy and cost efficient than the two methods now in use in North America: treeting low level PCBs with metallic sodium and incineration at very high temperatures for beavily contaminated oil.

Canada's only PCB destruction unit is an incinerator in Alberta, which will not take PCBs from other provinces. The Ontario government is planning to bring in a mobile reatment unit from the US to at unit from the US to



# Big Science' scans a galaxy of potential

Chris Sherwell describes the scale of achievement that Australia's new telescope represents

n principle, radio-astronomy sounds simple. You sit on Earth, point your telescope (in this case an antenna) at the stars and wait while electronic gadgetry collects radio waves radiating downwards. he practice, it is far more complex and far more exciting — as a visit to the new Australia Telescope, located in the cotton country Outback of New South Wales, quickly demon-

strates.

This magnificent facility, the first radio telescope of its type to be built anywhere in a decade, has been air years in the making and opens today. Costing A\$50m (£26m), it is one of the most important lifestitesmial projects and the timing is fitting; when Captain James Cook paved the way for Australia's coincisation by discovering its sest coast, he had just been to Tahriti in the South Pacific to witness the transit of Venus across the face of the sun.

the sun.

As with Cook, the motivation is to advance man's scientific knowledge of the universe. Most obviously, the telescopes will map the heavens of the southern hemisphere, which are only about a tenth as well employed as the northern ones because most radio-telescopes are in the north.

But it will also breek new ground through the use of the most modern equipment. Happily for the politicians and public funding the project, there will be technological spin-offs which promise high commercial returns.

For radio-astronomers, the most important feature of the new facility is that it is a synthesis telescope, spread across three sites.

spread scross three sites.

The most spectacular lies outside
Narrabri, 480 km north-west of Sydney. Standing across a plain are six
amiennae, each 22 m in diameter. Five move along a 3 km rail track, the sixth is anchored a further 3 km away. All lie east-west and the track

forms a straight line in space — it is flat to within a few millimetres after allowing for the curvature of the

Further south, at Coonsbersbrun, is another 22 m newly built antenna. The third is the updated and modern-ised 64 m antenna at Parkes, 400 km west of Sydney. Completed in 1961, it has kept Australia at the forefront of

radio-astronomy.

The six antennae at Narrabri form a "compact array", which can map as-much detail as a telescope 6 km in diameter. With the antennae at the

diameter. With the antennae at the other two sites, they form a "long baseline array", which will give a resolution 50 times greater.

The new telescope can link up not only with other antennae in Australia, but also with telescopes abroad or in orbit to form giant arrays thousands and tens of thousands of kilometres in size. This technique, called "very long baseline interferometry", can pick out details thousands of times smaller than individual telecan pick out details thousands of times smaller than individual tele-

These strangements have complementary uses, just as scientists learn different things about materials by studying them under both ordinary and electron microscopes.

Radio-extremony advances understanding of the program by letting

standing of the universe by letting people use extra terrestrial bodies emitting radiation of wavelengths in the 1 cm to 10 m range. It has embasced knowledge about such things as the birth of stars, the shape of galaxies, the collapsed cores of stars called pulsars and about the most humbous objects known, qua-

The radio sky is different from both the optical sky and the sky as seen by infra-red and X-ray telescopes, which operate from civit. One early project for the scientists allocated on the telescope for scienarid engineers operating the Australia. tists involved in the international

Talescope involves studying the cen-Talescope involves studying the centre of our own Milky Way galaxy, 30,000 light years away. In the northern hemisphere, it is only five degrees above the horizon. In the words of the Telescope's director Ron Ekers, the centre is "the least well understood and most exciting part." In particular it has an unidentified energy source, perhaps a black hole, powering a perhaps a black hole, powering a strong radio source called Sagittarius A and causing chaos in surrounding

Clouds of molecules.

Then there is the formation of stars in the spiral arms of the Milky Way,

in the spiral srms of the Milky Way, which are also observable from the southern hemisphere. Clouds of dust and gas hide this from view at optical wavelengths, but copious amounts of radio energy are emitted which the new telescope will detect.

Another target is the nearest galaxy, the Large Magellanic Cloud, which is 170,000 light years away. It and its smaller companion, which were first observed by the explorer Magellan in the early 18th century, cannot be seen from the northern hemisphere. They seem to revolve hemisphere. They seem to revolve around each other.

Among other phenomena of interest will be supernovae, or exploding stars. In 1967, a new supernova suddealy appeared in the Large Magel-lanic Cloud. It was the first to be seen with the naked eye since 1885, and astronomers will be observing its remnants, at all wavelengths, for a long time to come.

The telescope may also help unravel the mysteries of quasars. No one has yet adequately explained how these objects, pouring out hundreds of times more energy than the average galaxy, can also be the most distant, on the very edge of the universe. The nearest is 2bn light years away.

On top of all this, time will also be

Search for Extra-Terrestrial Intelligence (Seti) programme.

Apart from the scope for research,

there is no less excitement about the technological prospects. One reason is that the telescope's content is 80 per cent Australian — a requirement set by the original proposers to belp secure government funding. The target was achieved through the Division of Radiophysics of CSIRO, the national scientific research agency, which has controlled the project.

Because the telescope incorporates state of the art technology, it is a step

state of the art technology, it is a step ahead of its major competitors, including the one in New Mexico from where Ekens was recruited.

For example, the company which built the antennae, Evans Deakin, was taught how to do it by CSIRO scientists and local consultant engineers, MacDonald Wagner. They developed new low-cost ways to make the reflecting panels which form the antenna surface and which had to be manufactured to within a fraction of a millimetre.

Likewise, the aluminium sub-reflec-

tors, which pick up the incoming radio signals, were manufactured in Australia. So were the feed systems located near the centre of the dish's main surface. These are a rotating family of "horns" made of aluminium. glass fibre and polystyrene which collect the signals from the sub-reflectors. Typically, they allow the anten-nae to receive two widely separated wavelengths simultaneously

Polarisers behind each feed allow the antennae to detect the signals' linearly polarised components. Low wavelength signals are cooled to near absolute zero; all are amplified, converted to lower frequency signals and

After this, they are transmitted as pulses of light along optical fibres to a central control building. Here the sig-

nals from each antenna are combined in a computer, called a correlator, which pulls together data gathered over a period to produce a result. General processing of the data will be done on a Convex C-210 mini-supercomputer, one of the few items bought from abroad.

It is the correlator chip which is seen as the most important technological development to emerge from the project and the one with the most

commercial potential.

The correlator can perform up to 6,000 simultaneous multiplications, 320m times a second — that is, about 2,000bn multiplications a second. The large-scale integrated circuits were designed by the talescope's engineers and fabricated by Austek Microsys-tems of Adelaide.

From this development has come a

new device, the fast Fourier transform chip, also developed by CSIRO staff and being manufactured by Austek. Conventionally, the fast Fourier transform is a complex data process-ing technique in which enormous numbers of calculations are made using a mainframe computer to build up an overall picture from several streams of data recorded over a

The new chip allows this to be done as it happens, without resort to a mainframe. It should have immediate applications in satellite communications, remote sensing and medical diagnostics. Overseas interest in the development is said to be intense.

As in any country conducting such "Big Science" projects - and the Telescope is undoubtedly Australia's higgest - there is a heated debate between those spending the money, who want to pursue research for its own sake, and those supplying it, who

want tangible results. The "spin-offs" are a reconciling

### Legal weapon brought to the defence of software By Geoffrey Charlish

NEW YORK stockbrokers PaineWebber, in a study of the US software industry, concludes that legal action is about to become a "significant weapon" in software (and hardware) vendors' battles to pro-tect their designs - and profits - from what they regard as parasitic appropriation by oth-

ers.
The law on the subject is seen by US lawyers as messy, says Robert Therrien, a PaineWebber analyst, so the number of lawsuits can be expected to increase.

IBM has already brought

actions over personal computer hardware and Therrien thinks it will now turn its attention to This could mean that compa-nies with something worth-while to add to an IBM product will pay a modest fee, while those which are copying the products and then pricing them aggressively will find their positions expensive and

PaineWebber can be contacted in the US on (212) 713

### Security gates that let the traffic roll

ACCESS by vehicles to private commercial sites, military establishments or housing estates can be controlled with equipment available in the UK from Eureka Systems, of

Slough.
The system allows cars driven by staff or residents to pass through security gates without stopping or carrying

out any special action.

A small identity box, containing a short-range radio transponder, is bolted out of sight under the car. When interested he are cariely here. interrogated by an aerial bur-ied in the road, the transpon-der emits an identifying code which is sent to a computer. If the code is accepted, the gates automatically open and close, allowing only the identified car

through.

The computer can also be instructed to bar certain vehicles, for example, if it were known that the car had been

Eureka Systems can be contacted on 0753 37722.

**OPERA** 

Royal Opera, Covent Garden. No opera performances until

12 September. English National Opera, Coliseum. The season opens with revivals of two of the less sucrevivals of two of the less suc-cessful ENO productions of recent times. David Pountney's ugly, coarse-grained modern-dress Carmen sports at least a highly promising cast, including Jean Rigby, Arthur Davies, Ser-gey Leifericus, and Susan Bull-ock. The limply staged wartime-in-Mussolini's-Italy Tosca produc-tion by Jonathan Miller has Jan-ice Cairps in the title role. ice Cairns in the title role. und Barham, and Malcoim Barbican Hall, Paco Peña's Fla-

menco Dance Company (Mon-Thur, Sat). (638 8891) Queen Elizabeth Hall. Opera Factory production of Cosi fan Tutte conducted by Paul Daniel (Sun, Tue, Sat) (928 3191). Sadlers Wells. Sept 1, dancing begins in London again after a momentary break with the arrival of the Cumbre Flame troupe on Sept 6 for a 10 day

Vienna

State Opera. Cavalleria Rusticana, conductor, Adam Fischer. with Margarita Lilowa, Rohangiz Yachmi, Peter Dvorsky, Silvano Carroli (Fri, Sun, Wed). Lucia di Lammermoor, conducted by Marcello Panni, with Edita Grub-erova, Waltraud Winsauer, Paola Coni, Francisco Araiza, Richard Burke (Sat, Thurs). Il Barbiere di Siviglia, conducted by Ion Marin, with Frederica von Stade, Majorie Vance, Robert Gambill, Alexander Maly (Mon), Mozart's Cosi fan Tutte, conducted by Christian Thielemann with Mar-garet Marshall, Margarita Hinter-meier, Olivera Miljakovic (Tues).

Volksoper. In repertory Die lus-tige Witwe (Fri); Die Fledermaus (Sat); Arthur Schnitzier's Reigen (ballet) (Sun); Kalman's Die Zirkusprinzessin (Mon); Hoffmanns Erzählungen (Tues); Die verkaufte Braut (Wed); Der Zigue-nerbaron (Thurs) (Ph. 51444).

Tokyo

Teatro alla Scala, Milan. I Capuleti e i Montecchi, conducted by Riccardo Muti, directed by Pier Luigi Pizzi, with Agner Baltsa or Dolores Ziegler as Romeo and Lella Cuberli or Lucia Aliberti as Giulietta. Thurs). Nabucco, conducted by

Riccardo Muti, directed by Franco Zeffirelli, with Renato Bruson in the title role. NHK Bruson in the title rose. NMK Hall (Wed) (725 8885) Shanghai Kunju Opera Com-pany: Chang Sheng Dian (The Palace of Eternal Youth). Kun Opera is the oldest surviving form of theatre in China and the root of all other theatrical arts. The comment performs a arts. The company performs a piece written in 1688 and describing the love between an emperor and a lady of his court. National Theatre. (580 0031) Ends Septem-ber 11.

Deutsche Oper. Oedipus, spe-cially composed for the Berlin Opera by Wolfgang Rihm, will be conducted by Christof Prick. Lalu in Götz Friedrich's produc-tion stars Patricia Wise, Emily Golden and David Griffith. Lady Mecheth von Wansk by Shosta. Macheth von Mzensk by Shosta kovich returns with Karan Arms trong, Kathryn Montgomery-Meissner and Dmiter Petkov.

Aida with Bruna Balioni, Julia Varady and Giorgio Lamberti

rounds off the week.

Startsoper, Die Zauberflöte has fine interpretations by Hellen Kwon, Gabriele Fontana, Harald Stamm, Heinz Kruse and Franz Grundheber. Die verkaufte Braut is a well done repertoire perfor-mance. Der fliegende Holländer stars Richard Versalle in the title mie Rlizabeth Connell. Ursula Boese, Rose van Dam and Kurt Moll.

Bayerische Staatsoper, the Munich opera house will be closed until April 8 for renova-tions.

Amsterdam

Muziektheater. Netherlands Opera production of Bluebeard's Castle by Bartok, with Henk Smit as Bluebeard and Kathrine Clesinski as Judith. Directed by Herbert Wernicke, with the Netherlands Philharmonic under Hartmut Haenchen (Mon, pre-miere, and Thur). Premiere of Ron Bunzl's "ballet event" Miseen-Cadre danced by the Cloud Chamber company and directed by the creator, with music by Jose-Luis Greco (Wed) (255 455). Stadsschouwburg. The Hoofdstr Operetta Company in Karl Mil-löcker's Gasparone directed by Hans Fretzer (Tue to Thur). (24

**New York** 

New York City Opera (State Theatre, Lincoln Center). The week features Victor Herbert's Haughty Marietta in a new production by Theodore Pappas with sets by Oliver Smith. (496 0600).

Washington Sullivan and Gilbert (Eisenhower). Fritz Weaver and Noel Harrison play the composing teem that represented the high est artistic achievement of the Victorian age in this so-called "drama with music". Ends Oct 9. (254 3670). MUSIC

Amsterdam Concertyebouw
Orchestra, conducted by Riccardo Chailly with Radu Lupu
(piano). Mozart and Bruckner.
Royal Albert Hall (Pt1) (359 3212).
Amsterdam Concertgebouw
Orchestra, conducted by Riccardo Chailly with Lynn Harrell
(cello). Wagenaar, Shostakovich,
Tchalkovsky. Royal Albert Hall
(Sat) (359 3212).
BBC Symphony Orchestra, conducted by Hans Werner Henze
with Alexander Baillie (cello),
Thomas Allen (bartone). Hangs
and Monteverdi. Royal Albert
Hall (Sun) (589 3212).
Academy of St Martin-in-theFields, director Kenneth Sillito
with Briony Shaw (violin). Handel, Bach, Elgar, Mozart. Barbi-London

**EXHIBITIONS** Paris

Carte Musées et Monument sold in museums and Metro sta-tions, enables visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles

Centre Georges Pompidou. The Fifties, taking over Beaubourg for three months from the ground floor upwards. The pos-twar creative dynamism of the Fifties is represented by cars, comics, music, cinema, litera-ture, industrial creation and — on the fifth floor — by visual parts. The great forward of Motion arts. The great figures of Matisse and Picasso open the exhibition with works in black and white; monochromes by Yves Klein and Montana close it. There are statues by Giacometti, mobiles by Calder, and lyrical abstraction by Hartung and De Kooning. While contrasting the School of Paris with the School of New York, the exhibition equally draws attention to some of their parallel developments. (42.77.12.83). Closed Tue. Ends

Oct 17.
Institut du Monde Arabe. Holy
Piaces in Saudi Arabia. Magnificent architectural models of the
Kaabe in Mecca and its black kases in Mecca and its black brocade veil with verses from the Koran embroidered in gold, and of the Prophet's great mosque in Medina, provide non-Moslems with a realistic image of the shrines of Islamic pilgrim-age, to which they normally have no access Memorariots, works no access, Manuscripts, works by the traveller Richard Burton and 17th century Turkish ceramics complete the exhibition. 23 Quai Saint-Bernard (46.34.25.25). 1 pm till 8 pm, closed Mon. Ends

Musée d'Orsay. The spectacular museum of the 19th century is situated opposite the Tuileries Gardens within the metallic structure and the glass-roofed vault of the vast Belle Epoque railway station. It houses paintings, sculptures, objets d'art and photographs from the end of the romantic period to the begin-nings of modern art and the Impressionists and post Impressionists collections formerly in the Jeu de Paume. Here they are counterbalanced by academic painters, their contemporaries,

can Hall (Sun) (638 8891). Philharmonia Orchestra, con Philharmonia Orchestra, conducted by Andrew Davis with Garrick Ohlsson (plano). Webern, Brahms, Strauss. Royal Albert Hall (Mon) (599 8212).

BBC Welsh Symphony Orchestra, conducted by James Loughran with Howard Shelley (plano). Berlicz, William Mathias, Elgan. Royal Albert Hall (Tue) (589

ROYAL AMERY CHAIR (100) (cost state)
BBC Weish Symphony Orchestra, conducted by Tadaski Otakawith Cécile Ousset (piano). Schumann, Mahler, Royal Albert Hall (Wed) (589 8212).
London Sinfonietta, conducted by Lother Zeorosek with Michael by Lothar Zagrosek with Michael Collins (ciarinet) and Maria

Ewing (soprano). Stravinsky, Zimmermann, Don Banks, Well. Royal Albert Hall (Thur) (589 8212).

long derided for their pomposity. The sculptures come into their own in the immensity of the nave, at the end of which is a large-scale model of the Opéra and its district below glass tiles. The view of Paris from the ter-

races is an additional delight.

1 Rue Bellechasse (454 94814).

Closed Monday.

Picasso Museum. The 17the con-Picasso Minseum. The 17the century Hotel Sale, sumptiously restored, provides a fitting home for the world's largest collection of Picasso's work. It comprises 203 paintings, 158 sculptures and more than 3,000 drawings and sense with 28 to 18 seas and 28 engravings, 16 collages and 88 pieces of caramics. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renotr, Cézanne, Douanier and Rous-seau. 5 Rue Thorgny (427 12421). Closed Tuesdays. Musée de Chuny. Medieval art in Paris. The abbots of Chuny

built their magnificent late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman baths. Now a museum, it houses medi-aeval works of art – goldsmiths' work, carved alter pieces, tworks febrics, with two English royal standards embrediered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicom mills fleurs tapes-tries — an allegary of the five senses, one of the masterpleces of medieval art. Place Paul-Pain-leve, Metro Odeon. Glosed Tues-days and lunchtimes (432 56200).

Munich

Hens der Kunst, 60 Primzre-gentstr. An important exhibition centred on the city of Munich, which provides a broad view of the West German cultural scene. There are about 540 works - paintings, graphics and plas-tics - by 470 different artists, including over 100 women. Twen ty-two works by the Austrian printer and scalptor, Alfred Hrdlicka, form the highlight of the show. The exhibition is organised by three group of art-ists. Ends Sept 11.

Museum of Modern Art/Museum of the 20th century: Exhibition of Oswald Oberhuber, one of

Wiener Mozart Orchester (in historical costume). Mozart. Sofiensaele (Fri, Wed, Tues) (72 **Paris** Frederic Desencios, organ. Den-drieu, J.S. Bach, C.P.S. Bach, Alain, Luciano Berio, Jean-Pierre Leguay. Saint Severin Church (Mon). Quator Rossmonde, Laurent Cabasso, piano: Haydn, Schubert Brahms. Auditorium des Halles (Tue). 21 98).
Haydn Sinfonietta, conductor.
Mantred Huss, with Georg
Hamann (viola). Haydn, Weber,
Beethoven. Palals Auersperg

(Sat). (43 15 68). Sylvia Lacrotx (Ilute), Eva Landkammer (cello), Roman Summer-eder (harpsichord). Handel, Bach, Leclair, C.P.E. Bach, Kariskirche

Budapest Festival Orchestra conducted by Ivan Fischer with Zoltan Kocsis (piano). Mozart, Bartok, Brahms, Stravinsky. Musikverein (Tues) (505 81 90). Kodaly Choir from Debrecen, Hungary, director Kalman Strausz, conductor Manfred

Austria's finest artists. Opens The Austrian National Library. The Arab world in Europe. A

marvellous collection of letters

and other literary items. Ends October 16. Bermes Villa. Portraits by the harmes vina. Fortraits by the fin-de-siècle artists, Gustav Klimt and Emille Floege. Ends Feb 19. Secession. Klimi's Beethoven Frieze is now back in its rightful and original place in the restored. Secession. The Secession was founded by a group of artists. Klimt included, at the turn of the century. At the time, it pro-vided a haven and experimental ground for artists who were tired of the old established and con-

servative Kunstlerhaus or arts Academy. Visitors to Vienna must see the work put into the restoration. Besides the excellent lighting and colour scheme, the furniture, all Austrian designed, is a real eye-opener on the wealth of creativity which is taking place among the small crafts industries which have sprung up in recent

Venice

Palazzo Grassi. The Phoenicians. The fourth major exhibition at Plat's imposing art centre on the Grand Canal attemps to give a complete picture of this extraordinary people, who domi-nated trade in the Mediterraneau for over 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. The exhibition has been given a highly theetrical presenHuss. Beethoven (Missa Solem-nis). Votivkirche (Thur).

Junges Philharmonisches Orchestra and Markusvokalen-

nsemble from Stutigart con-tucted by Manfred Schreier. Mes-isen. Seint-Eustace Church

Berlin Philhermonie, Orchestre National de France conducted

tation by the architect Gae Autenti. Sarcophaghi project at odd angles from a pile of pink sand on the ground floor of the Palazzo; in an unstains room, model ships stand immobile i a rippling artificial lake, and a rippling artificial lake, and a huge polystyrene wave engults' a Phoenician wreck. Many of the 1,200 objects displayed (gold and silver jewallery, statues and reliefs in terracotta, bronze and ivory) are entraordinarily beauti-ful and the 750 near extellogue. ful and the 750 page catalogue, published by Bompiani, is excal-lent. Until Nov 6.

Palazzo Venezia. Imago Mariae.
Over 100 works, including masterpieces by Gentile da Fabriano,
Pinturiachio, Correggio, Giaquinto and Tiepolo, showing the
progressive humanisation of the
Virgin Mary from the austere
figure of the Middle Ages to the
centle and accessible charm of tle and accessible charm of gentle and accessible charm of the Renaissance and Barroque portrayals. Ends Oct 4.

Martigry

The Gianadda Foundation is showing the second part of trea-sures on loan from the Sac Psulo Museum. Entitled From Manet to Picasso, it is especially rich in Renoirs, from society portaits and little girls in frothy lace and pink and bine satin, to a fleshy nucle. Van Gogh, too, is well represented with his famous Arleslemme and landscapes with tor-mented trees. There is Cézanne's portrait of his wife, a Tahiti scene by Gauguin, early Picassos and Manet's Marie Lefsbyre, ridby Lorin Mazzei. Berlioz and Saint-Saens (Mon). Berlin Phil-harmonic Orchestra under Clau-dio Abbado with Marizio Pollini (piano) and Mariana Lipovsek (alto). Schönberg and Brahms (Wed).

(Wed).

(Wed).

Philharmonie, Leipzig Radio
Choir and Chamber Orchestra
of East Berlin, conducted by
Peter Schreier. C.P.E. Bach
(Sun). Orchestra National de
France, under Lurin Maszel.

Ravel, Roussel and Stravinsky (Wed).

Washington Tangerine Dresm. Three-member German synthesizer group known as the Godfather of New Age Music (Kennedy Center Con-cert Hall) (Thur) (254 3775)

ing side saddle all ciad in black and looking as seductive as Bonnard's appealing nude or Degas' ballet dancers. (23978). Ends Nov

**New York** 

Mew York

Metropolitan Museum of Art.

An exhibition of architecture
on paper covers four centuries
of drawings including works by
Frank Lloyd Wright, Louis Comfort Tiffany and Arata Isozaki,
as well as the west facade of the
Alhambra that dates back to
1880. Ends Jan 8.

Museum of Modern Art. Almost
100 black-and-white prints illustrate, Matisse's influence during
a 50-year printmaking career
that included lithography, drypoint, etching and linoleum cut.
Ends Nov 8.

point, etchin; Ends Nov 6.

Art Institute. Photographs by Josef Sudek. Using his native Prague as the background, this avant-garde photographer, who died in 1976, captured the lyrical quality of the Czech people and the country's beautiful land-scapes. Ends Sept 5.

Art Institute. More than 50 Dutch and Flemish 17th century masterpieces from the Hermitage masterpieces from the Hermitage in Leningrad, including works by Rembrandt, Rubens, van Dyck and Frans Hals, kick off a collab-orative effort by US and Soviet useums Ends Sept 18.

Tokyo Tokyo National Museum. The Spiendour of Turkish CivilizaEmmanuel Ax (piano). Chopin Showa Women's University Hitomi Memorial Hall, near San-

genjaya (Mon) (795 4488), Your-Tick Eim (violin), Altison Elldredge (cello), with the Tokyo Philharmonic Orchestra con-ducted by Michyoshi Inoue, Sibelius, Elgar, Suntory Hall (Tues) (795 4486).

Gezmady Rozhdestvensky con-ducts the Yomiuri Symphony Orchestra. Haydo, Shostakovich, Tokyo Bunka Kaikan (Tues). Sumbory Hall (Thurs) (270 6191).

NHE Symphony Orchestra conducted by Esa-Pekka Salonen. Messiaen (Turangalila Symphony). NHE Hall, Shibuya (Thurs) (465 1781).

tion: Ottoman Treasures from the Topkapi Palace. The former Canadio of the Sultans in Istamthe Topkapi Palace. The former Seraglio of the Sultans in Islambul boasts a magnificant location, overlooking the Bosporus, and houses a superb collection of classical antiquities, manuscripts, armour, textiles and other artefacts. This selection of 150 items focuses on the heyday of the Ottoman Empire, from the 16th to 19th centuries. Highlights include a steel heimet incrusted with priceless rubies. incrusted with priceless rubles, turquoises and amethysis, and a wooden throne inlaid with ebony, mother of pearl and silver. Closed Mondays.

Art. The image of Man in Modern Japanese Art. Individualism is not generally admired in Japan, so portraiture, in the sense of the restraint. National Museum of Modern sense of the portrayal of individ-ual psychology, is not part of the artistic tradition. However, in modern times, a number of in modern times, a number of Japanese painters have grapple Japanese painters have grappled with this problem with varying degrees of success. This exhibition features portraits and other works in which the human figure is predominant – all executed within the last 100 years. Closed Mondays. Ends September 9.

Japan Folkcraft Museum (Nihon Mingeikan), Komaba. Crafts from India. The museum is in an old Japanese farmbouse building which accords perfectly with the unselfconscious beauty of the objects. Closed Mondays.

THE BACK!

1921

\*\*

2012 15 1

2006 300 ---

3.45 B.C.

2 2 25 25

Continued on Page 13

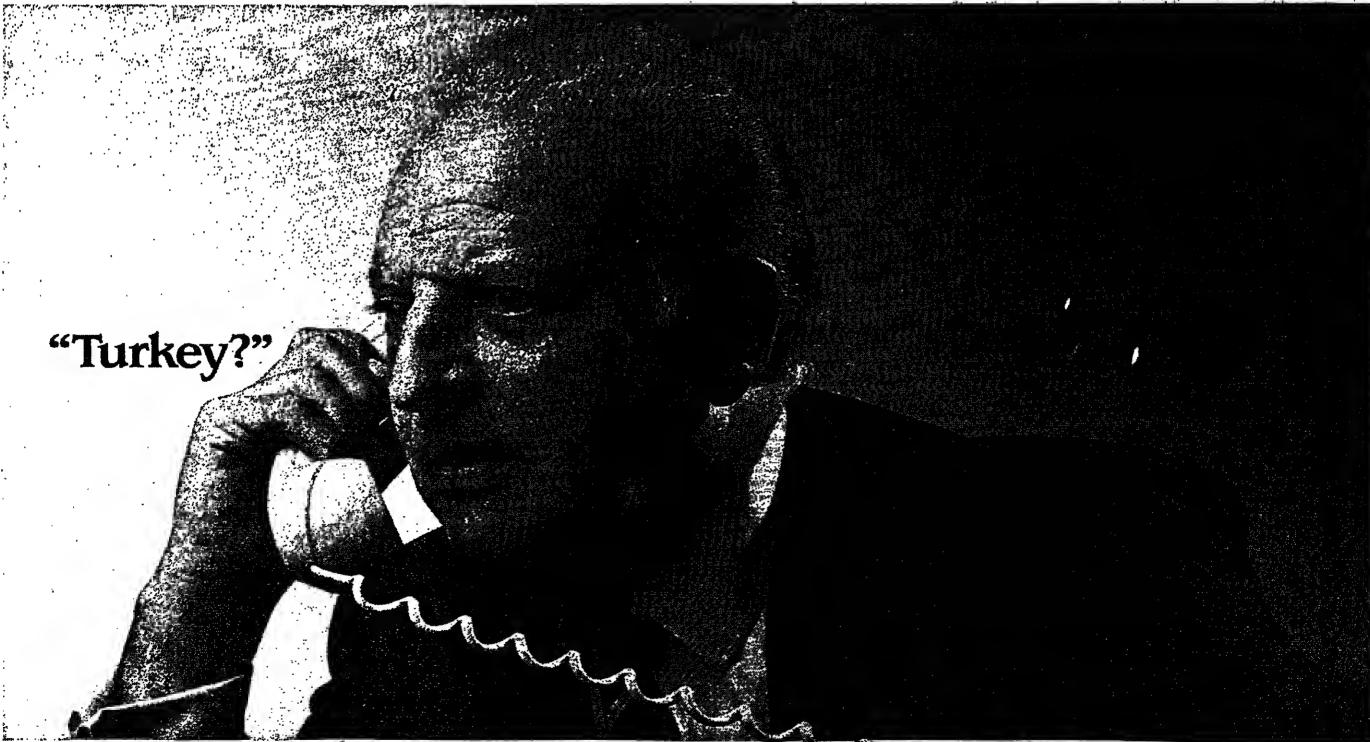
Have your F.T. hand delivered . . .

... every working day, if you work in the business centre of ATHENS

Athens (01) 7237167

And ask Bill Vogiatzis for details or call Hellenic Distribution Agency on @ Athens (01) 9919328/9922483

**FINANCIAL TIMES** 



An exciting contract in a new country. Opportunity knocks.

But without the right advice it could all go horribly wrong.

Iktisat Bankasi is Turkey's leading merchant bank. In trade finance, in project finance and in capital markets. If you have

business in Turkey we

can meet all your needs.

For further information contact Arthur Wilkinson on (901) 174 1111. Or write to Iktisat Bankasi, Buyukdere Cad. 165, Esentepe, Istanbul, Turkey. Telex 26021. Fax (901) 174 7028.

You'll be surprised what we can do for you.



### CINEMA

### Logic and lunacy make happy bedfellows

an there be logic in a meaninglese uni-verse? Can intricate systems of cause-and-effect co-exist with com-plete pointlessness? Above all, can three women living in Suf-folk drown their husbands and get away with it?
These momentous questions

are dealt with in Peter Greens-way's Drowning By Numbers. Like his natural ancestor Like his natural ancestor
Lewis Carroll, who wrote
mathematics text-books
between Alice volumes, this
young British director is a man
in whom logic and hundry are
happy bedfellows. More than
happy indeed: their organuic
union has brought forth such
handsome offspring as The
Palls, The Draughtsman's Contract and The Relia Of An tract and The Belly Of An

British culture has long had a flair for donnish absurdism. It probably dates from the time that Sir Isaac Newton changed our notion of the universe after being hit on the head by an apple. In history — especially British history — great events form natural alliances with vandeville slapstick.

In Drowning By Numbers three ladies all called Cissie Colpitts drown their husbands. First off the mark is Joan Plowright (tin bath), soon fol-lowed by niece Juliet Stevenson (the sea) and grand-niece Joely Richardson (swimming pool). Will they get away with this triple viricide? It all depends on coroner Bernard Hill. This bearded Lothario

fancies all three ladies and whom are christened after dily feminist cry for women's may well hush things up in return for services rendered way films. dily feminist cry for women's ascendancy, has a sleeker, larger resonance. For what Will you go to the police if I don't cooperate?" gurgles La: Plowright majestically. "I might says Hill. And thereby hangs the tale. The subtle molecular joinery of blackmall

has begun.

The film is full of subtle The film is full of subtle molecular joinery. The adults' grim games of cause-and-effect are parodied in the brutal logic of the games invented and played by Hill'e son (Jason Edwards). These include Hangman's Cricket, Bees in the Trees and — best of all — Sheep and Tides. In this, a number of bewildered-looking tethered sheep on the beach tathered sheep on the beach are encouraged to budge their chairs and rattle teacups when

chairs and rattle teacups when the tide turns.

The boy also has another ritual: he lights fireworks to celebrate the death of birds, insects, animals or humans. And indeed Drowning By Numbers is a pagan paean to death and its remarkable regenerative powers, second only to sex. Having shuffled off their husbands, the three ladies take out a new lease — may a new freehold — on life. The lubricious coroner finds widowhood an aphrodiciac. And there is good—evidence, insists a good evidence, insists a straightfaced Greenaway, that even when we die we are re-born, pasted up in the heavens as stars. In the film's first scene, a party-frocked girl addresses the night sky by naming 100 stars, many of

Visually, Drowning By Numbers is a joy: a sumptuously cluttered English pastoral, photographed by regular Greena-way collaborator Sacha Vier-nay, whose flair for gnomic elegance once ennobled Last Year In Marienbad. Every

> DROWNING BY NUMBERS Lumiere, Notting HillGate

THE SICILIAN Odeon, Haymarket

STICKY FINGERS Camons, Panton Street and Oxford Street

> MANIFESTO Cannon, Piccadilly

scene is stuffed with chies and counter-cines, metaphors and grace-notes. (There is even a 1-to-100 count with numbers popping up through the movie in smuggled subtext.)

It is as if the secret of the

universe were an Agatha Christie mystery we could solve if only we looked closer at the hedgerows, the stars, the roadsigns and the idiot games of the children nextdoor. Even the black-widow murder plot, which looks at first like a tren-

Drowning By Numbers gives its most punishing push to is the patriarchal order of crime and punishment, cause and effect. The animus of male rationalism falls overboard, politely propelled by the anima of female passion and conspiracy.

The attempts of the Hollywood film industry and Michael Cimino to push each other overboard have now become legendary. The director who brought you the Oscar-winning The Deer Hunter and the studio-destroying Heaven's Gate now brings you The Sicilian. And even a Cimino fan like myself has to admit that we have a problem here.

Adapting Mario Puzo's novel about the real-life Sicilian ban-dit Selvatore Giuliano, Cimino fills the screen with 2% hours of dazzling images. Not since Visconti's The Leopard has any film-maker so ravenously devoured the Italian land and sky. The ever-mobile camera performs swoops, arabesques and breathtaking tracking shots. It purs with the beauty of honeyed buildings and fields the colour of beaten gold and skies blue as cornflowers. Unfortunately, people open their mouths in the movie. And there begins the trouble. Cimino's multi-accented cast -

But great moments in The Christopher Lambert (French) as Giuliano, Terence Stamp and Joss Ackland (English) as opponent Dons, Barbara

Sukowa (German) as an Ameri-can-born Italian Duchess — create the sense of a mad Italy-set Babel. And Steve Sha-Italy-set Babel. And Steve Sha-gan's script, when not plumb-ing the outer limits of banality ("We are in deep shit and you talk politics"), creates major confusions in plot and charac-ter identity. You need a wall-chart to follow who is doing what to whom for the film's first hour. And by the time you start understanding, you have ceased to care. ceased to care. Saddest casualty in the film

is its potentially intriguing subtext of political infighting. Jugging the disparate forces of Sicilian power-play - Church, government, Maria, aristocracy, the revolutionary movement - Cimino creates surreal juxtapositions and scenes of juxtapositions and scenes of horrific confrontation. Best of the first kidnapped dandy Terence Stamp holding aloft his umbrella as he rides through gorgeous gorges trading metaphysics with Lambert's Giuliano. Best of the second: the moving scene in which Giuliano executes an old friend in the public square, the town the public square, the town barber who has betrayed him. The film catches the terror of approaching death and the pathetic gesture of the old man's last bequests to his children — his shoes and his gold

Sicilion are rare. The film flop-ped in America and even failed in Cimino-loving France, Many hostile forces will rejoice at the



Bernard Hill and Joan Plowright in Peter Greenaway's "Drowning By Numbers

after three commercial disasters in a row (preceded by Heaven's Gate and Year Of The Dragon) - Cimino's final licence to hazard big money at the box-office gaming tables.

It would be a tragedy if it were. Cimbo is the cinema's greatest epic realist since Von Stroheim: a man who spends money not on vain show but on Promethean strivings towards authenticity. As the visual pageant of a time, a place and a shudder of history Sicily's schisms of political ideology and outlaw romance - The Sicilian is astonishing.

All one wishes is that someone had tapped the director on the shoulder early on and whis-pered, "New cast, new script."

Still, Cimino's film looks like Citizen Kane next to Sticky Fingers or Manifesto. The first, co-written and directed hy Catlin Adams, is a sol-disant zany comedy with Helen (Supergirl) Slater and Melanie Mayron as two New York street musicians who find a bagful of red-hot gangster money and do not know what to do with it. Nor does the

another; misunderstandings multiply without producing a moment's mirth. Check in your funny-bone at the entrance. Manifesto is as bad: the latest nose-dive in the career of

Dusan Makavejev, once famed for WR, Mysteries Of The Organism. This Ruritanian romp about sex, politics and death is based on a Zola story but more resembles Arms And The Man done over as a Play-boy photo-spread.

**Nigel Andrews** 

# Leipzig Gewandhaus

However distinguished its composer, incidental music for the theatre tends to lead an uncertain life in the concert hall Mendelssolm's music for A Midsummer Night's Dream has perhaps the best estab-lished niche; even the scores that Beethoven wrote for the theatre are rarely heard nowadays in their entirety. Of the music he supplied in 1810 for Goethe's Egmont we hear only the overture, and the other numbers - songs, entractes, and a final "Victory Sym-phony" - have passed into near oblivion. But they were revived for Tuesday's Prom, brought to the Albert Hall by no less a distinguished visiting

no less a distinguished viating orchestra than the Leipzig Gewandhaus under its artistic director Kun. Masur.

Those who know only the overture to Egmont can be assured that they have missed songs, given in the drama to that are utterly reliable and Egmont's beloved Klärchen, unfailingly musical, are flavoured by the style of the second programme at the

simple directness by Bettina Denner, while the orchestral interludes are close to the mood of the Fifth Symphony, written a little over a year ear-

The overture compresses the drama so succinctly (indeed takes over the final Victory Symphony intact as its coda) that further musical treatment seems superfluous, though the melodrama; narrated here by Friedhelm Eberie, gave some idea of the possible alchemy the music and drama might create on stage. In both the incidental music

and Beethoven's Seventh Symphony which followed, the Gewandhaus Orchestra under Masur was immaculately drilled, and unspectscularly eloquent. It does not proclaim dient if noes not proclaim, heelf a great orchestra from the sumptionsness of its tone or dazzing quality of its virtu-

are flavoured by the style of lis second programme at the Fidelio and were sung with Proms on Wednesday,

reinforced that impression, and almost seemed designed to understate its sterling quali-ties. Mendelssohn's Scottish Symphony was a natural choice, a nod towards the most illustrious of the orchestra's former directors, and demon-strated both Masur's light touch in such works, and his players' nimble responses. Strauss's Till Eulenspieg proved a showplace of a differ-ent kind, underlining the secumix kind, understaining the secti-rity of the brass, the character-ful, never bland woodwind, But the inclusion of Rakhmani-nov's Pogumini Rhopsody was less understandable, for nel-

ther conductor nor orchestra would have seemed particu-The planist was the Gewan-dham's resident soloist Peter Rosel who displayed a solid enough technique, but little individuality. Altogether

eminence of enduring musical **Andrew Clements** 

certs that reinforced the pre-

Kenneth Branagh's Renaissance Theatre Company is currently at the Phoenix Theatre for a ten week season performing Much **Ado About Nothing** (reviewed last Friday) and As You Like It in repertory at the Phoenix Theatre, with Hamlet opening next week. He is seen here in As You Like It, which will be reviewed on Monday

## Lady in the Dark . . . . Murder in the Cathedral

### David Murray and Martin Hoyle sample music and drama at the Edinburgh Festival is known in Britain from Les

Though the original Broadway. production of Lady in the Dark, in 1941, was a lavish affair — with Gertrude Lawrence as the Lady, and the newcomer Danny Kaye for the pat-ter-song — Kurt Weill's score was somewhat trimmed during rehearsals, and even modest revivals have been rare. Thus Scottish Opera could beast that Wednesday night's concert per-formance in the Uaher Hall was, the first "complete". one, this time using a shortened version (I assume) of Moss Hart's spoken text but keeping all Weill's music to Ira Gerahwin's lyrics, and restoring the

Overture. It was a painstaking labour of love by the conductor John Manceri, who led a rousing account of the score. Hart's idea was to put psychoanalysis on the musical stage (he was an enthusiastic convert); the result was a confection as hygienically innocent as any Hollywood exercise on the theme, laced with nothing more Freudian than Gershwin's exuberant word-play. (Maucerl claims it "shows how mental illness is a curable dis-ease," which is pushing it a bit.) It gave Weill, however, the opportunity to expand his Broadway idiom for the three ambitious dream-sequences which take most of the music. His through-composed Street Scene was still several years away, and the Lody in the

Dark sequences do not aim at symphonic cogency — just variety and cumulative effect, with a haunting recurrent tag that opens out as a whole bal-lad toward the end. (The dream- and nightmare-effects are mere routine tokens: evidently they did not seize Well's imagination.) There is easy room for numbers like the patter-song and a virtually gra-tuitous show-stopper, "Jenny

made her mind up." As Manceri justly observed. Welli made no special musical com-promises for the American market: his familiar fingerprints are all over the score, and the jazzy and bluesy touches were in his Berlin music too. The best Broadway musicals have always had middle-European operetta and cab-aret behind them. Mauceri's orchestra played

up with conviction, and the Scottish Opera Chorus contrib-uted voices for many small parts as well as the big choral numbers. There was no American singer on hand, but Martin McEvoy and Forbes Masson were lustily idiomatic in a chitch of secondary roles, and the Canadian Mark Tinkler lent his romantic young bari-tone to a shadowy old flame.

Richard Griffiths — not required to sing — made an eminently plausible East Coast analyst, blinking benevolently at his lectern. For Liza, the distracted herome, Patricia Hodge was an inspired but natural choice: just recently she was impersonating Gertrude Lawrence at the Dommar. She was splendidly incisive with her long spoken role, which is mined with potentially embar-rassing moments, and rose to her songs with confidence fragile at the top, but unfail-ingly in character. The long-forgotten overture, by the way,

proved to be a stirring pot-pourri, as might have been expected; any future produc-tions will surely reinstate it. Earlier on Wednesday the pianist Vladimir Ovchinikov, who tied with Peter Donohoe in the 1962 Chalkovsky compe-tition, delivered a strangous programme in the Queen's Hall: all the Transcendental Studies of Liszt, and eight of Rakhmanings's Etudes-Tableast, op. 33. There were brilliant touches and many inter-esting, experimental ideas in his Liszt ("Feux follets," usu-ally treated as a piece for celestial music-box, acquired way-ward hesitations and rushes answering better to its will-o'the-wisp titla); also much relentlessly thudding fortissimo, discouraging to the ear and inimical to detail. There were nevertheless impressive depths in "Harmonies du soir," and a "Chasse-naige" of morosely tragic character.

With Rakhmaninov, however, the sound of Ovchini-kov's piano became at once nicher and far more transparent, his palette full of imagina-tive colour, This was Rakhmaninov exposition of a high order, not least because a hitherto unsuspected wit - some-times black humour - came into play. Though I doubt that the Etudes-Tableaux match Liszt's studies for expressive variety, here they seemed to; and as one of his encores Ovchinikov clattered through the "Polka de W.R." with irresistible mischief and glee.

The great German poet whose name is borne by the company visiting the King's Theatre can be met face to face in the usually closed Tron Kirk in the Royal Mile. Schiller's sharp ascetic features register faint disapproval at finding himself part of an exhibition of death masks and life masks of the famous and infamous from Edinburgh University's Department of Anatomy. It may be noted that Burke and Hare and sundry murderers gather more crowds than Mendelssohn, Weber, Dr Johnson or the ugly, lively face of David Garrick. Sheridan's death-mask is painfully real, the sunken cheeks and toothless mouth suggesting far more than his 65 years. Just up the road and one can report with relief that after the disappointing Caucusian Chalk Circle that opened their Lon-don season two weeks ago the National Youth Theatre has struck form with one of its calling-card productions, Mur-der in the Cathedral. T.S. Eliot'a religious drama

is a good choice for a large company, with its sharply defined cameos among the Knights and Tempters, and the chorus work with occasional solo lines for the monks and women of Canterbury. This year it is more accurately murder in the High Kirk (not to displease the shade of Jenny Geddis who hurled her stool at

an uplity preacher).

A late night performance fits the naturally sombre interior of St. Giles. The monks are a vaguely perceived black mass in the darkness towards the altar, the women occupy the downstage area and flank us, the congregation. Both groups combine in Geoffrey Burgon's setting of the Kyrie Eleison, its melancholy vocal line under-pinned by chimes and thunderous percussion. The muffled boom of the bass drum accom-panies the women's forebodings, and jagged woodwind themes punctuate the appearances of the Tempters.

These are strongly portrayed (though Rupert Penry Jones is a bit unsmilingly aggressive for the embodiment of frivo-lous pleasure), and incidentally prove the men more successful than the women at projecting words in the echoing acoustics. James Barriscale's insidious spirit of self-martyrdom in par-ticular makes himself heard effortlessly after an impressive advance from the shadows, a

faceless hooded figure.
Conor Grimes, the Ulster-accented Becket, is equally clearly spoken in a performance of confidence and authority. Unusually youthful-looking, this archbishop makes sheer argument ring with dra-matic conviction. Edward Wilson's direction is infinitely more at ease with Eliot than in Brecht.

This short (75 minutes) show begins as a puzzle, continues as an irritation, and ends up by winning you over to the humour of the incongruous, the shrugging acceptance of the inconsequential.

The nrban proletarian whimsy of Jérôme Deschamps

Blouses, seen at the ICA some years ago. His wordless droll-ery is not too distant from Jac-ques Tati'a Monsieur Hulot, though Deschamps limits his contributions to writing and directing. In this new piece, a huge anccess in Paris, there are actual words: incoherent abuse shricked by a fat char-woman at an offstage dog whose frenzied harking and rattling chain finally draw her into battle in the wings with a mop; and songs. For the evening's framework is provided by a concert of sen-

timental old songs executed by genuine music hall stars who have emerged from retirement for the show. The setting is a vast, windowless brick hangar of a place, an institutional kitchen possibly, whose main features are the piled wine crates that supply the monstrous char and her gormless young male assistant with the occasional tipple. Noises off include the crashing as of innumerable dust hins, clanking, smashing and shouting. The char's comic routines take in dusting the proscenium arch and picking the sole of her shoe, sniffing and tasting, while the planist plays Chopin. The six residents of the faintly Dickensian old folks' home include two old dears who tackle Carmen's Habanera; another who sings what sounds like "When Yon're Smiling" but isn't; and a whis-kery sprite resembling George Bernard Shaw who turns a cartwheel besides singing in a quavery but just audible voice. (The company's disdain of microphones puts our own West End stars to shame.)

The farcical counterpoint keeps sentimentality at bay. The planist (there are four apprehensive pit musiciana) is not above shouting trascibly at the old dears when they anticipate a cue. The chinless boy marches proudly on with a lighted birthday cake to fall flat on his face, splattering the gatean over the stage. With some jokes the pleasure comes from watching the eminently predictable unfold. My Edinburgh companion

remained stony-faced; a colleague from a distinguished Scottish paper was rolling about. In general, the house rose to this very gallic mixture of the wistful and the hardheaded, the touching and the practical, which succeeded in conting and the practical, which succeeded in casting an oddly engaging

M.H.

### delivered every morning in Switzerland

Have your F.T. hand

If you work in the business centre of BAAR, BASEL, BERNE, GENEVA, LAUSANNE, LUGANO, LUZERN, ST GALLEN, ZUG, ZURICH or WINTER-THUR - gain the edge over your competitors. Have the Financial Times hand delivered to your office. Then start every working day fully briefed and alert to all the issues that affect your market and your business.

### 12 FREE ISSUES

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international

Geneva (022) 311604 And ask Peter Lancaster for details.

FINANCIAL TIMES

### ARTS GUIDE

Continued from Page 12 THEATRE ....

Too Clever By Raff (Old Vic).
A fizzing Copolism production by Richard Jones of Ostrovsky's Disry of a Scoundrel in an old Rodney Ackland version, with remarkable Expressionist designs by Richard Hodson and a brilliant central performance by newcomer Alex Jannings.
Until August 13. (228 7816, credit card bookings 381 1821).

Easy Withou (Gardel). "Transfer. card bookings 361 1821).
Easy Virine (Genrick), Transfer of King's Head revival of early Nost Coward, sense period but lesser vintage than Hay Fever, but worth seeing, (279 5197).
South Pacific (Prince of Wales).
Average, traditional revival of the great Rodgers and Hammerstein musical, with Genma Craven failing to wesh the barrional Emile Belcourt out of her hair.
(259 5595). (339 5960). The Phanton of the Opera (Her

The Primmon of the Opera (ser Majesty's). Spectacular, emotion-ally nourishing new musical by Andrew Lloyd Webber. (539 2244, credit cands 376 6131,940 7200). Feilles (Shaftesbury). Earths Sitt and Millsont Martin now decorate Mile Ockrent's strong revival of Sondheim's 1971 musi-cal, in which poisoned marriages lesque reunion in a doomed thea-Hapgood (Aldwych). New Tom Stoppard mixed espionege, romano and higher physics. Felicity Rendal is the sponymous intelligence agent, Roger Ross and Nigel Hawthorns in elegant.

support. (888,6404, cradit cards 879 6236).

Agnee of God (Statesch-ouwburg). The English-Speaking Theatre of Amsterdam with John Pielmeier's play, directed by Bryce Pederson. (Fri., Sat.) (34, 28 11).

New York

Cais (Winter Garden), Still a sell-out, Trevor Nunn's produc-tion of T.S. Eliot's children's poetry set to music is visually starting and choreographically feline. (239 6262). A Chorus Line (Shubert). The A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public. Thester for eight years but also updated the musical genre with its fackstage story in which the songs are used as auditions rather than emotions. (239 6206).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drams. (239 6200).

(239 6200). Starlight Express (Gerahwin). Those who saw the original at the Victoria in London will benely recognize its US incornation: the sketers do not have to go round the whole theetre but do get good exercise on the spruced-up stage with new bridges and American scenery to distract from the backneyed pop music and trumped-up, stilly late the seal. plot. (586 6510). Ma and My Girl (Marquis), Even if the plot turns on ironic mlmit top plot turns on items mini-icay of Pygmalion, this is no clas-sic, with forgettable songs and dated leadenness in a singe full of characters. It has nevertheless

proved to be a durable Broadway

M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1986 is a somewhat pretentious and obvious meditation on the and obvious meditation on the true story of the French diploms whose long-time mistress was a male Chinese spy. (246 0220). Speed-the-Plow (Royale). David Mamet applies his biting sarcess and ear for the exaggerations of American language to Hollywood, in this screamingly funny and well-plotted expose of the film industry. (239 8200). Stranger Here Myself (Public). Angeline Roux performs two decades of Eurt Weill's songs in a one-woman show covering the composer's careers in Berlin, Paris and New York. (598-7100). Parts and New York. (596-7100).

Les Misérables (Kannedy Center Opera House). The touring com-pany of the international hit of last season brings to Washington the historical sweep of Victor Hugo, set to music and an insistent contemporary beat. Ends Oct 15. (254 9770). Sleuth (Eisenhower). Stary

Keach and Maxwell Caubield star in the mystery pitting e writer against a mild-mannered travel agent who'e stolen his wife's affections. (254 3679). Cabaret (Wolf Trap Festival). Joel Gray leads the cast in a week-long visit by the revival of the hit musical based on Christopher Isharwood's Berlin reminiscences of the 1990s. (432

Kabuki (Kabuki-za). The morn-ing programme, at 11am, includes Kago Tsurube, with Living National Tressure, Utae-mon, in one of his most famous

roles as a sophisticated courts who gulls a country bumpkin who gulls a country bumpkin. In the afternoon, at 4.80pm, the programme includes il Tairo, a "new kabuki play" set in the 19th century at the time of Japan's opening to the West, as well as one of the most famous works in the kabuki repertoire. Kanjincho (The Subscription List), in which a willy servent outwits his master's vant outwits his master's pursuers. Opens September L (541 3131). Opera-za no Kaitin (The Phan-

Sept 2-8

om of the Opera), Nissei Theatom of the Operay, Nisser Thea-tre. Japan's leading musical com-pany, Shiki, acquits itself well in what is a virtual carbon-copy of the London original. The Japa-ness translation is often awk-ward, but Andrew Lloyd-Web-ber's eff for musical asstiche ber's gift for musical pastiche. Harold Prince's romantically evocative staging and Maria Birrison's stumning sets and costumes make for an enjoyable evening whether you understand the words or not, Ends September 20. (503 3111).

Les Mitérables (Impérial Thea-tre). This stirring musical adap-tion of Victor Hugo's novel of the Paris parricades has returned to Tokyo for another four-month run. Ends August 31. (201 7777). Noh (National Noh Theatre) A double bill consisting of the non play, Yukyo Yanagi, and a comic interfude (kyogen), Japan's most esoteric art form is not to every-one's taste, but should be experi-enced at least once by everyone who wants to discover why
Japan will never become a "westent" nation (Wed at 1pm; mostother Noh theatres are open only
at weakends; check local press
for details) (423 1831)

### SALEROOM

### Price for Picasso?

Picasso to appear on the market for many years comes under the hammer at Christie'a on November 28th at its major London winter sale of Impressionist and Modern paintings.

"Acrobate et jeune Arlequin" was painted in 1905 in Paris

during Picasso's rose period and is expected to sell for over £10m. With the current strength of the art market it could realise £15m, making it the third most expensive work of art sold at auction, following two works by van Gogh -Irises, which made £30m and Sunflowers, sold for £24.75m. Itis being disposed of by a secretive European family. The painting, which shows two male figures in melancholic

The finast early work by intimacy, belongs to the time when Picasso lived close to the Cirque Medrano in Place Pigalle, which was the inspira-tion for many paintings. This example was exhibited in Paris in 1905 and had entered a museum - at Wuppertal-Elberfeld in Germany - as early in

1911. It was confiscated by the Nazis in 1937 as an example of decadent art and sold at auction in Lucerne in 1939 for 80,000 Swiss francs to a Belgian collector, Roger Janssens. It has since changed hands, and although the composition looks familiar, it has not been on public show for over twenty

Antony Thorncroft

### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday September 2 1988

### Martian view of the CAP

agricultural industry of the EC serve? A stay-at-home Martian might guess that it exists to provide consumers with food of the highest possible quality at the lowest possible price. A Martian who has visited Europe would know better. It exists, he would conclude, to produce food nobody wants at prices many cannot afford and then to dump the resulting surpluses on world markets, to the discomfiture of the EC's friends and the pleasure of its

A careful perusal of the authoritative report on Con-sumers and the Common Agricultural Policy would serve to confirm the Martian's hypothesis. What might still puzzle him, however, is why the EC has these objectives.

If charitably inclined, the Martian would conclude that the absurd consequences of the CAP were unintended. The CAP, he would note, was opaque both in conception and execution. Originally, this feature made it politically easier to provide assistance to farmnow, when things have got out of hand, that very lack of transparency renders rational reform close to impossible.

### Farm budget

How different things would be if the implicit tax and subsidy pattern of the CAP had to be legislated explicitly. Farm ministers would have to propose an EC farm hudget of about Ecu 80bn (£50bn), no less than £160 per person. The hudgetary cost would then be some three times as great as the levels that have already horrified their colleagues

They would also have to instify the imposition of an explicitly regressive tax on food. In the UK, for example, those in the lowest quartile of the income distribution spend almost 30 per cent of their income on food as against under 15 per cent for those in the highest quartile. In countries of southern Europe the poorest people spend as much as 40 per cent of their incomes on food.

Equally problematic, of the total resources raised only two thirds actually go to farmers, with the overwhelming propor-tion of that going to the rich-

Thus the annual subsidy per farm to the largest 8 per cent of EC farms is, according to the NCC's figures, Ecn 25,300 (£16,600), ten times as great as the subsidy per farm to the smallest 30 per cent of farms, on whose behalf so

many tears are shed.
Such transparency of the CAP's tax and transfer consequences would surely make the policy as a whole, already burdened hy many demerits almost impossible to continue It is for this very reason, there-fore, that the CAP is so struc-tured that decisions can be taken behind closed doors by an iron triangle of farm lob-bies, farm ministers and farm bureaucrats. It is to the credit of the UK Government that it has shown recognition of the fundamental problem hy commissioning a report from a body charged with representing the consumer interest.

### Obvious drawbacks

Politicians react to pressure. At present, the most visible drawbacks of the policy are tha high hndgetary cost and the hnge surpluses. There is a great temptation, therefore, to solve these problems by the use of quantitative controls on output that themselves do nothing to help consumers.

The most important substantive proposal of the NCC is a move to market-oriented pricing, with assistance to farmers provided through explicit subsidies. This will, no doubt, be seen as "politically unrealis-tic." There is a Catch 22: comprehensive reform requires greater policy transparency, but greater transparency will only follow after significant

Perhaps there is an escape from the dilemma. By commissioning the report, the UK Government has provided proof of its awareness of the need for enhanced transparency. If it actively promotes far greater involvement of consumer representatives in the formation of both UK and EC policy, the Government will follow the logic of its own actions. The NCC report could then prove a fulcrum on which to move how policy is formed, a time may come when a Martian visi-tor will even be able to make sense of the policy itself.

### Training the unemployed

IF ADVERTISING slogans alone could get the long-term unemployed back to work, the British government's £1.5hn Employment Training Scheme would be assured of success. But they cannot and the programme may experience a shaky start. Support for the scheme among hoth local authorities and companies remains patchy. Next week, opponents will probably per-suade the Trades Union Con-gress to announce some form

of boycott. The lack of enthusiasm for ET may seem surprising. Long-term unemployment has fallen during the recent eco-nomic upturn, but the total is still barely short of 1m. At the same time, there are reckoned to be around 700,000 unfilled vacancies. It must make sense, say ministers, to "train the workers without jobs for the jobs without workers." In theory it must, but the critics contend that ET will not provide adequate incentives for either employers or the unemployed.
They also question the quality
of the likely training.
ET, which replaces 37 separate schemes for the adult

unemployed, is intended to provide an average of six months' training for 600,000 jobless adults. The focus initially will be on 18-24 year-olds out of work for at least six months. Unlike the Community Programme, it will not pay participants the "rate for the joh." Instead, in recognition of the training provided, it will offer only welfare benefits plus about £10 a week.

### Questionable decision

The decision to create one giant scheme is questionable A diverse range of small schemes run by different groups according to different criteria might be expected to offer the jobless a wider range of choices. Doubts have also been raised because ET was closely modelled on the 1987 New Joh Training Scheme, which was not a conspicuous success. The new JTS, like ET, emphasised training on employers' premises and remu-nerated participants according to a "benefits plus" formula. Little more than a quarter of the planned places were filled

and many trainees dropped out after the first few weeks. Internal Training Commission reports suggest that the qual-ity of training was often low. Trials for ET similarly fail to inspire confidence. The drop out rate was lower than under the New JTS, but it was still worryingly high. More than half of those entering development projects abandoned the programme before their training began. The figures suggest

that counselling techniques will have to he greatly improved. They also underline the difficulty in making a vol-untary scheme work. Mature adults are not as malleable as the 16 and 17 year-olds who sign up for the Youth Training

### Limited enthusiasm But the difficulties do not lie

only on the demand side. Among employers, real enthu-siasm for ET is being shown only by the retail and construc-tion sectors. Both are experiencing recruitment problems and see ET as providing access to a new class of worker at a time when demographic changes are causing a sharp decline in the causing a snarp decline in the supply of young people. Many manufacturing companies, by contrast, are either not looking for new employees or feel thet ET does not dovetail neatly with their own internal trainwith their own internal tran-ing schemes. Unlika the Train-ing Commission, they appar-ently do not regard ET as a plausible source of skilled

Such scepticism is reasonable. A six month programme, which combines practical work experience with off-the-joh training, cannot achieve mira-cles, it will not turn an unem-ployed adult into a skilled tech-nician. Such a task would take years and cost much more per person than is allocated under ET. But soch criticism perhaps misses the point. The training element in ET has to be emphasised in order to per-suade the johless to partici-pate. But the scheme's real function is to act as an introduction agency; to put employ-ers and the long-term unemployed back on speaking terms. The problem of inadequate skill levels in British industry will have to be tackled on

Philip Bassett sets the scene for the UK's Trades Union Congress in Bournemouth next week

# Unions enter a confused new world

arry Moore and Barry Hawksworth are both busmen. They're both electricians, too. And they're both managing direc-

Both men run post-deregula-tion hus companies in East Anglia — one in Ipswich, and one in Great Yarmouth. Both men hava recently gona against the grain of the bus industry hy signing recogni-tion deals with the EETPU electricians' union. And both electricians' union. And both men were so impressed with their deals that they joined the union too. This blurring of boundaries

in these two companies - hetween unlons, hetween grades, between occupations is increasingly typical of the pattern of industrial relations arrangements in Britain as unions switch towards single-union agreements. That growth is likely to be sharply accelerated next week when the Trades Union Congress at its annual conference expels from its ranks the leading pro-ponent of single-union deals, the EETPU.

What will happen once, as now seems inevitable, this long-projected split in Britain's unions occurs? TUC leaders acknowledge privately that the confusion of traditional trade unionism that the two East Anglian hus agreements exem-plify may well lead to such complicated memhership switching and poaching that, even if the EETPU were to return to the fold, the changes would be irreversible.

There are other examples of these trends. At Bernard Matthews's "Bootiful" turkey pro-duction operation in Norfolk about 40 workers have just applied to the EETPU for membership. East London proba-tion staff hardly seem like elec-tricians either – but the union is recruiting fast among about 200 currently non-union clerical staff in the probation service in Barking, Romford and

Graham Briggs, the RETPU's regional official for the union's white-collar section, responsi-ble for all these deals, says that the publicity given to the EETPU in its current row with the TUC has brought in such new members: "What these people have decided is that they want to join a union. The TUC can think what it likes hut they have decided that they want to be involved with

Eric."

Eric Hammond, the EETPU's subtle, pugnacious general secretary, is clear about his union's post-TUC recruitment ambitions: "The door is open here to anyone who wants to come to a because the EETPUI come in," he says. The EETPU will not just stick to its core

ciously, looking for members where it can.

Once the EETPU is out in the cold, it will no longer be bound by - or protected by -the TUC's rule against poach-ing other unions' members, enshrined in the 1939 Bridling-ton agreement. At middle and junior ranks inside both organisations, there are indications that aggressiva recruitment plans are being prepared – and only some of these have been disavowed by the respectiva headquarters. None the less, the TUC hopes to limit any recruitment war. Norman Willis, its general secretary, says that among the TUC's member unions, "there isn't any passion for some sort of bloodbath."

ndeed, relations between the TUC and the electri-cians are not always as Just after the EETPU had been suspended from the TUC on the same issue as its expected expulsion next week - refusing to accept two Bridlington cisions – both Norman Willis and Eric Hammond were among the guests at a recep-tion hosted hy Mr Charles Price, the US Ambassador to London, at his elegant house in Regent's Park. Mr Willis surprised his fellow-guests by singing - to the tune of "You made me love you, I didn't wanna do it" - his own written words: "You made me suspend you, I didn't wanna do it." Then, in the middle of a lengthy conversation with Mr Hammond, he suddenly threw an arm round his shoulders.
Looking round for a camera,
Mr Hammond quipped:
"Where's a photographer now I
need one ?"

Whatever does happen after the electricians' expulsion, a crucial role will be played by those who control union recognition: the employers. They do not think that much will happen - at least not immediately. Employers generally will want to keep their heads below the parapet," says one. "There is no sense that there immediately."

Rod Thomas, employment affairs director of the Confederation of British Industry (CBI), says: "Employers don't want to get mixed up in trade union politics, which they regard as no longer central to their main concerns in human resource

But employers accept that some shop stewards and local officials will put pressure on them to exclude the EETPU from joint management negotiating committees. They will then have to make a pragmatic decision on whether to bow to

this pressure. CBI officials warn, though, that if other unions' opposition to working alongside the EETPU leads to any kind of dispute, then employers would be abla to bring legal action against the unions concerned. The labour law changes introduced by Mrs Thatcher's Government rule out legal protection for inter-union disputes.

Some employers and their advisers beliave that a faw companies will go further. Just as Eddie Shah eventually put legislation into practice at his small Warrington newspaper exploit the electricians' expulsion and move from recognising many unions to a single n deal with the EETPU.

Graham Mather, former head of policy at the Institute of Directors and now directorgeneral of the Institute of Economic Affairs, says that the TUC's expulsion of the EETFU will accelerate the drive to single- or non-unionism, since the TUC is "voluntarily giving up its last remaining selling-point; the industrial relations stability it offered under Bridling-

TUC leaders do not believe that a post-TUC EETPU offers employers any greater stabil-lty. They believe many person-nel managers will not be able to sell to their own bosses the idea of doing a deal with an EETPU ontside the TUC, because of the problems with other unions it might bring in its wake. At local level, the EETPU

doesn't think so, Ipswich-based Graham Briggs says: "Employers here have made no secret of the fact that they regard the TUC's problems as our prob-lem - but not their problem." As an indication of that, Mr Briggs has just received a let-ter of intent for a single-union deal covering 200 workers employed by Plessey Control, which repairs motorway signs

In South Wales, the main area for the EETPU's singleunion, strike-free deals - not the specific cause of the breach with the TUC, but for many unions the real, unstomachable reason hehind it - Wyn Bevan, executive councillor for the area, says of the union's likely expulsion: "In the dis-cussions I'm having at the moment with inward investment companies, our TUC position has been mentioned only once. It's not a big thing - it's not something that causes

them any problem."
In preparation for life outside the TUC, the EETPU's local officials have each sent

'ugnacious but subtle: the electricians' leader Mr Eric Hammond Mr Hammond a note detailing both where the union may gain members, and where it may lose them. These estimates

have confirmed the belief of

the union's leadership that there will be losses, but that the EETPU will come out Another, defensive, step the union has been taking is to maximise its existing membership. Unlike most unions, the EETPU's membership records have been fully computerised for more than 20 years. Currently, the union is going through its files, company by company, agreement by agreement, and comparing them with the companies' employee discrepancies, earmarking the company for further recruit-

EETPU leaders dismiss, too, the impact of the formation by some of its left-wing members of a breakaway union, the Electrical and Plumbing Indus-Electrical and Plumbing Industries Union, likely to be launched on Monday as the EETPU is expelled.

Despite the right-wing enthusiasm of the bulk of the EETPU, the left has always been able to muster respect-

able votes in union elections, and the hreakaway could attract a substantial minority

There have been two other fairly successful hreakaway unions in the recent past - the Union of Democratic Mineworkers, and the Professional Association of Teachers. These two groups, however, ware rate organisations pulling away from left-dominated unions; employers were not unnaturally ready to recognise them. For the breakaway elec-tricians, the reverse will be the

the possibility of some compromise to prevent the EETPU's expulsion cannot be ruled out the TUC is famous for last-minute deals, But TUC leaders insist that if there is to be any compromise, it must be the electricians which do the compromising: protecting Bridlington, for the TUC, is sacrosanct.

And the electricians' executive in recent years has not been characterised by a readiness to

case; many employers might well be reluctant to recognise a

more militant breakaway.

compromise. With memhership still declining, non-unionism growing, employers increasingly re-assessing their employee rela-tions and wondering whether they need unions at all, the

time is hardly propitious for the unions to be facing their higgest split. This week's postal dispute, where the rejecting money already paid to some of its members, has placed unions in a further bad light.

lis of the TUC claims that there have been positive signs for trade unionism in the UK this year. He points, with some justification, to the increased membership of some unions, the unions' high poll standing. the forward-looking work of the TUC's special review body. He tries, too, to muster some optimism about the coming year, but is at least as aware as anyone of the difficulties for the unions - not just over the EETPU, but over other issues, such as their attitude to the Government's Employment Training programme for the long-term unemployed, launched yesterday.

As the TUC braces itself for

those difficulties in what was yesterday a very blowy Bour-nemouth, even the jovial, optimistic Mr Willis is daunted: "No one can deny some gloomy thoughts. It's wrong to be doom-laden. But I'm not exactly humming I do like to be beside the seaside."



### Bossano does it again

■ Joe Bossano, the new socialist leader of Gibraltar, is full of surprises. He shocked the opposition by the size of his electoral victory last March. The Spanish Govern-ment took umbrage when, shortly after becoming Chief Minister, he paid what emounted to a "state" visit to the Canary Islands, to see the autonomous President there. He has started joint venture companies with private enterprise. Now, he has has taken almost everyone unawares by his wedding.

Bossano. 49 and father of four, married on Wednesday at the Rock's registry office. His hride was Rosemary Roman, a 42-year-old nurse and mother of three. It was the second wedding for both of them. Only one Government Minister was present and the occasion was treated like a state secret.

state secret.

It was planned with great care. On Saturday Bossano files to the US (with his wife) mixing business with pleasure. Officially he will be promoting the Rock's potential to American husinessmen in Washine. can husinessmen in Washing-ton and New York. Unoffi-cially, he will be on his honeymoon.

He wants the US Sixth Fleet in the Mediterranean to use the local repair facilities, where he has installed a Miniswhere he has installed a minis-ter as managing director, oust-ing British shipping experts A & P Appledore. "I don't expect to be treated as a head of state by the Americans, because I am not one. But it is the first time that a Chief Minister is going there to promote the rock," he says. "It's the world's smallest economy facing the biggest." Bossano sees the Americans as his principal ally in trans-

forming the Rock into a self-sufficient mini-state. The Spaniards, with dreams of tak-

amused. The British may hear

ing over his patch, are not

OBSERVER more about his intentions from

their Ambassador in Washing-ton, whom Bossano will see.

### City cricket

■ The Stock Exchange Cricket Club scored a notable victory this week, beating a Yorkshire League X1 led by Brian Close, the former England captain, by 45 runs. The match took place at the Scarborough Festival, which the Stock Exchange side was invited to open following a successful tour of Hong Kong and Singapore last

Alfred Nathan, the President of the Club, points out that the team is becoming increasingly powerful as more and more cricketers work in the City in the winter. Paul Downton, the Middlesex and former England wicket keeper, and Paul Parker, the Sussex cap-tain, fall into that category. Possibly it is a better invest-ment than going to South

Since neither Downton nor Parker were playing in Scar-borough, the victory looks even more impressive.

Palumbo it is Although no official announcement is likely for two weeks, the apparatchiks at the Arts Council have come to terms with the fact that

their new supremo as chair-man is to be the controversial developer, Peter Palumbo. He has already been honoured with e pseudonym, "The God-father", in honour of the part he will play at Princess Bea-trice's christening. But it also carries undertones that after seven years under that area rick scholar and gentleman, the now Lord Rees-Mogg, the Council may have a more directly Thatcherite minder.



'T'm not advertising it. I'm

Another Swede

In naming 47-year-old Jan Eliasson as his special repre-sentative to mediate between Iran and Iraq, the UN Secretary-General, Javier Peres de Cuellar, is following a well-tried maxim in the UN's efforts to end the Gulf war: when in desnair turn to the Sweden

despair, turn to the Swedes. Eliasson, Sweden's Ambas dor to the UN since March, was chosen only after persis was chosen only arter persis-tent attempts to find a suitable Swiss Kurt Furgler, the former Swiss President, was in the running last week, but was found unacceptable by the Iraqis on the grounds that his country represents US interests in Tehran.

Still, the Swede knows the

background. Between 1990 and 1986 he was a senior aide to the late Oiof Palme and played a major role in the Swedish Prime Minister's own media tion attempts. Eliasson visited Tehran and Baghdad 12 times in the period. Ironically, his new appointment came on the

day of the official report on Palme's assassination. It has sometimes been suggested that his involvement in the mediation had something to do with

### Cold winter

The Thirsk weather sage, Bill Foggitt, acknowledged yes-terday that it has not been the long hot summer that he pre-dicted.

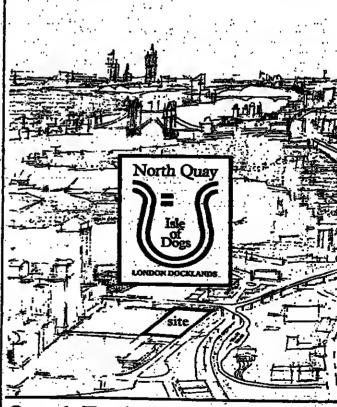
Foggitt is reluctant to stick his neck out again and forecast an Indian summer but confesses astonishment that this summer has made up a sequence of four wet summers on the trot for the first time in his records which stretch back 100 years. He plumps for a hard winter in line with his theory that

we are entering a mini ice-age similar to that about 180 years similar to that about 180 years ago. "There was the odd mild winter then, but the general pattern was similar to recent times and we had seven successive hard winters before the last one," he explained. "A lady geologist friend of mine in Sheffield believes Britain is moving slowly northwards because of the shifting continental plates and that could have something to do with the have something to do with the worsening weather."

At least the mild winter has meant a good crop of fruit this

year with few insect pests around to cause many prob-lems. That thinks, Foggitt, is why most of the swallows have flown away early for the win-ter. He does not plan to record when the last one goes. "I used to, but if I look up at the teleor, out it I look up at the tele-graph wires after coming out of the Three Tuns these days I go dizzy, especially after a pint or two."

Irish-Soviet ■ A lot of Soviet-made Lada cars have started appearing in Ireland, giving rise to the question: "What do you call a Lada with a sun root?"



### Superb Freehold Development Site For Sale By Tender

An opportunity to acquire this superb 2.7 hectare (6.69 acre) freehold site adjacent to the Canary Wharf Scheme Ourline planning consent granted for mixed development of 176,400m<sup>2</sup> (1,898,750 sq ft) gross area.

Closing date for receipt of tenders: 12 noon Friday 14 October 1988

01-638 9011





series of financial scandals is making it a difficult summer for Japan's politicians and businessmen. In themselves, the affairs, in which

prominent people have been accused of insider trading operations, capital gains tax evasion and bribery through share placements, are no worse than those which regularly occur in Japan. But they could not have eropted at a more difficult time for the Govern-ment of Mr Noboru Takeshita or for

the Japanese stock market.

For Mr Takeshita, the scandals could upset a controversial tax reform he is trying to manoeuvre through the Diet (parliament). If it falls, so might he. For the stock market, public anger ne. For the stock market, pubme anger could force a strengthening of new regulatory codes which are being introduced. This could have a pro-found impact on the flamboyant ways

of the Tokyo market.

The revelations have fuelled a tide of resentment among wage-earners at the huge tax-free profits politicians and others have made through dealing in shares. They have also raised doubts whether Japanese politicians, the leaders of an economic superpower, can continue to finance their activities in a manner which exposes them to such damaging publicity.

The storm broke in late June when

a Japanese newspaper revealed that 76 people, including aides to Mr Tak-eshita, Mr Kiichi Miyazawa, the Finance Minister, and Mr Yasuhiro Nakasone, the former Prime Minister, and Mr Vasuhiro Nakasone, the former Prime Minister, had been invited by an industrialist to buy shares in a private property company, Recruit Cosmos, in advance of flotation. Whan the shares were listed, they all made huge profits.

This emerged as the Government was introducing a comprehensive tax reform hill, which includes a highly unroughly reformed to the results.

unpopular value-added tax. Changes to capital gains tax are also proposed, but with gaps which would allow wide-scale tax evasion to continue.

Opposition parties, which have long opposed the VAT idea, seized on the Recruit scandal as evidence of a need for stiffer reforms. They also demanded a full inquiry. The Government resisted, but three weeks ago another scandal emerged. The shares of Sankyo Selki, a small engineering company, soared in advance of an announcement that Nippon Steel was buying an 18 per cent stake. A Tokyo Stock Exchange report revealed that 34 employees of the two companies were buying Sankyo shares in advance of the amouncement.

Both the Government and the bustness community have been on the run. Regulatory changes which were already in the pipeline have been hrought forward with a famfare, as evidence of a determination to clean things up. Leading newspapers have been running articles explaining everything from the ethics of Japanese politics to the definition of

dealing. Another scandal from earlier this year, involving tax evasion on a grand scale, has been dragged into the dis-cussions, Mr Isao Nakaseko, owner of Meidenko, an engineering company, is being prosecuted for allegedly evading tax on share trading, using 207 Stefan Wagstyl on a political and business storm in Japan

### The winds of scandal



different accounts. The public prose-cutor rejected allegations that politicians - beneficiaries of some of the deals - had received bribes from the company on the grounds that the suspects had not been in positions of

A key issue in both the Recruit and feidenko affairs is the role that stock trading has come to play in financing politics. Big business meets much of the ruling Liberal Democratic Party's costs through direct donations and by buying tickets for lavish fund-raising posting. But politically have also parties. But politicians have also boosted their incoma through the

1980s stock market boom. Such behaviour has been tolerated in Japanese political life principally because politics, especially ruling party politics, is intimately connected with money, Gifts and lavish hospital-ity support the web of contacts which brings politics and business close together. The boundaries of propriety are flexible. Earlier this year, Mr Nihachiro Hanzanura, an adviser to Keldanren, the powerful federation of economic associations, and the man responsible for co-ordinating political fund-raising, said in an interview: "I have seen something of the muddy

side of the world. If the straightforward salaryman were to step into it he'd probably be quite surprised.

Even though the salaryman may not see much of the muddy side, he has caught a glimpse of it this summer and does not like it. Wage earners have in any case become anery at ers have in any case become angry at the growing gap between the wealthy elite and the rest, especially in Tokyo where the average family can no longer afford to buy a tiny apartment.

Mr Yuji Tsushima, the LDP tree-

surer, says the present situation is "indeed embarrassing". As a result, the party has given ground on tax reform, offering to toughen up the capital gains tax provisions and introduce a tax on political funds raised at parties. It may be too little too late. The scale of opposition has suddenly become apparent in a guberna-torial election campaign in Fukushima prefecture, north of Tokyo. A renegade LDP member has defied party orders and is running against the official party candidate. Moreover, he has done something hitherto unthinkable – signing an anti-tax bill pact with the opposition Japan Socialist Party. To cap it all, it looks like he might win. The vote is on Sunday.

It all looks like a replay of the abortive attempt hy Mr Yasuhiro Nakasone last year to pass tax reform. His plan was withdrawn when an LDP candidate was soundly defeated in a by-election.

For the moment, the reform bill is stymied in the Diet as LDP and opposition party leaders negotiate on terms for its passage. The bill's with-drawal or failure could well bring down Mr Takeshita and a number of his cabinet ministers. The prime min-ister has said publicly that he is staking his future on it. In the financial markets, the main impact of the scandals has been to give fresh impetus to a campaign by the finance ministry to improve standards of disclosure.

A new code, defining inside information and categories of potential insider dealers, is being brought into effect next April. Financial industry bodies are laying down new regula-tions. Securities brokers and banks are building Chinese walls.

Western stockbrokers are quick to say that all this is meaningless unless attitudes change. "Telling a Japanese businessman that he cannot have access to privileged information is like telling him that he cannot have access to his wife," one said. But there are signs that the minis-

try's campaign is having an effect. Earlier this month, Canon, the camera maker, scrapped its time-bon-oured practice of giving a private explanation of its financial results to leading a barbalder. leading shareholders a few bours before they were publicly announced. Tokyo Stock Exchange officials expect other companies to do the same.

There is then some evidence for the belief that attitudes are changing. One Western stockbroker says: "The Japanese recognise that they cannot continue to operate the world's biggest stock market like a casino."

However, reform has its limits. The results of the inquiry into insider dealing at Nippon Steel and Sankyo Seiki were widely seen as unsatisfactory hecause the stock exchange refused to identify the chief suspects. The stock exchange's 30-strong market surveillance office, plus the finance ministry's 17-man team, cannot cover much ground. Moreover, stock exchange officials see themselves more as teachers than police-

There is a deep-rooted sense that industrial companies, financial groups and the ministry are all on the same side. The ministry will not want to hustle the market to tha point at which it finds itself treated as an outsider. Nor will the market's insiders want to cnt the ministry ont remembering, for example, how the ministry guided the Big Four brokers (Nomura, Daiwa, Nikko and Yamai-chi) to support the market during the October crash last year.

Another obstacle to reform is the concentration of power in the stock market. The Big Four handle 40 per cent of all trades (more if affiliates are included) so they control a huge amount of information which is spread more widely in London and New York.

Then there is the influence of the families of companies with interlock-ing shareholdings which loom large in Japanese industry. It is one thing for Canon, an independent and interna-tionally-known company, to break with the past. It would he quite another for companies in the Mitsubishi group, whose links date back 100 years, to do the same.

But even at the deepest levels in-Japanese corporate structure there are signs of change. The ties between companies and their main banks are being weakened as more groups shop around for the best banking services. Institutional investors, hitherto often happy to bold shares for years, will slowly be put under pressure to review portfolios as investment performance measurement becomes more popular in Japan.

The hope is that the efforts to raise standards of disclosure will holster confidence in the stock market. But there is a nagging fear in the minds of a few Japanese fund managers that the scandals might bave the opposite effect - and scare away investors. It would be ironic if the Tokyo market, having weathered the global crash of 1987, drowned instead in a storm of its own making in 1988.

**LOMBARD** 

### Divest, diversify or die

By Christopher Lorenz

IN THE SPACE of less than threa days, the much-trum-peted revitalisation programmes of two old-line US manufacturers came to an inglorious end this week. First, American Can, now known as Primerica and with its assets reinvested in a broad range of stockbroking and other financial services, sold ont in a \$1.7bn deal to Commercial Credit, a consumer finance

company.
Then Gould, which over the past 20 years had diversified from batteries into high-technology defence electronics, semiconductors, and a con-glomerate-like list of other businesses, agreed to be bought for \$1.1bn by Nippon Mining, a Japanese company with interests in metals, chem-icals and opt-electronics.

In Primerica's case, the decision seems to have resulted mainly from the impact of last October's Wall Street crash on one unit, the Smith Barney investment banking and secu-rities firm. At Gould, the cause was broader and more long-term: the suh-standard performance of its portfolio over several years, which had already caused it to run down its business to half the level of the mid-1980s, mainly through asset sales.

Despite the differing circumstances, the two exits have common origins and provide a salutary warning to the multi-tude of companies in mature industries around the world which have embarked on ambitious strategies of diversifying their way to growth. They also raise the familiar question of whether the beleaguered managements of dinosaurs should instead run them down and distribute the proceeds to shareholder

shareholders.

After all the stumbling of the past two decades, in both the US and Europe, the difficulty of managing radical diversification is only too well documented. Examples abound, he it US General Electric's travels in factory automation or vails in factory automation, or Volkswagen's ill-starred foray into office electronics. So do business school and consultancy studies: a Harvard research project into the diversification records of 33 large US companies since 1950 shows that acquisitions unrelated to their basic businesses bave

almost invariably failed, while

an Anglo-American study hy McKinsey & Co puts the failure rate at more than 85 per cent for large takeovers of this kind. There are few successful exceptions. BSN, the French glassmaker, was reborn almost a decade ago as one of the world's leading processed food companies. But many more similar companies have been less focused, turning themselves into conglomerates which have yet to demonstrate a sustainable strategy over the long term; Mannesmann, the West German steel and pipes company, is a case in point, as is USX, the American steel major which has moved

heavily into oil and gas.
In contrast with the poor track record of unrelated diversification, most research sug-gests that takeovers have a far higher chance of success though still only 50 per cent – when they are in fields closely related to the acquirer's estab-lished range of husinesses, or which require very similar management skills, as with the purchases by Hanson, the UK conglomerate.

None of this is much comfort to the many companies which are coovinced, as were American Can and Gould, that their original businesses are dying, and that related diversification is therefore a non-starter. For them, the available options are few. If reinvestment in the core husiness through new technology and changed working prac-tices is really not a profitable avenue – and too many western sectors have been written off prematurely as "sunset industries" - then the only alternative to diversifying is to divest the entire company.

The latter course was fol-lowed single-mindedly a few years ago hy Celanese, the US fibres maker. After winding the business down over a period while paying handsome dividends, it sold out to Hoechst of West Germany - to the applause of its shareholders and Wall Street. Few other industrial dinosaurs have acted with similar boldness. either because their country's tax laws discourage such asset distribution, or because of the management's instinct for self-preservation. Yet such a step is preferable, for managers as much as shareholders, to pursuing a dubious diversifica-

### **LETTERS**

### 'Company objectives' come in different models

wealth, defining this as the dis-counted value of future cash

Sir Karl Popper has recently reminded us that the inherent assumption of certainty here is misleading. So the classical model devolves to an attempt to make judgements upon dif-ferent "probabilisitic" formula-tions of net present value. This entails estimating the probabil-ity distributions of the cash

ity distributions of the cash flows, the discount rate and the length of "future time".

Thus modified, the classical model seems to lose its charm—not only because of the inherent difficulties, but perhaps because future discount rates are affected by present behaviour. Cartainly, future cash flows are affected by deci-sions about revenues and costs; the latter a matter of conflict between owners and

Mr Turner (if he will forgive

tity between the interests of employees and shareholders (Letters, August 30). This espousal of self managed co-op-eratives is a welcome antithe-sis to the current wave of separating out co-operativa and state enterprises into public limited companies (plc). How-ever, the inherent uncertainty is otherwise unaffected, leav-ing us with the same problems of acting with uncertainty attending the consequences of our actions.

Perhaps some solace may be found for us all in the research which found that shareholders attained, over long time periods, a premium of between 10 per cent and 12 per cent over gilt-edged holders. This, it is held, was to compensate share-holders for taking higher "risks". It is always nice to see human adaptability in the face of uncertainty.

Anthony Berry.

Manchester Business School, Manchester Busines Booth Street West,

From Dr A.J. Berry

Sir, Mr Hunt (Letters, August 30) gives as the "classical model" that the prima objective of the company is the maximisation of shareholders' (Letters, August 30). This an academic rumination) sees the solution to some of these difficulties by creating an identity between the interests of employees and shareholders objectives (Letters, August 1, 24, 30) all seem to omit man-24, 30) all seem to omit management's attitude to risk, which affects its setting of which affects its setting of objectives for the company. I say management's objectives, not the company's objectives: management acts as the agent of shareholders (and stakeholders, if you believe the theory).

If, as Lex points out, the only the way to maximize share.

sure way to maximise share-holder returns is to act under the constant threat of takeover (in stock market-driven economies like the UK and the US this would be true, but probably not in bank-driven economies like Japan and West Germany), then management is likely to be highly motivated to remain independent.

In order to remain bid-proof, there is an argument which says that size (in terms of market capitalisation) should be the prime objective. This involves two variables: capital asset size and share price. In order to gain "bigness," man-agement is concerned with attaining a large capital asset

size which leads it down the acquisition path. In order to maintain share price, manage-ment is concerned with the

avoidance of risk. Motivation to remain inde-pendent could thus cause man-agement to be risk averse, con-trary to what the Capital Asset Pricing Model teaches us. It, would be concerned to avoid the risk which would threaten the company with takeover. Union Carbide's Bhopal disaster, and threatened takeover hy GAF, is an example.

Another could arise from the firm's exposure to a cost-base' in a singla currency which appreciates in real terms, so that the firm becomes uncompetitive either domestically or internationally.

internationally.

So management, motivated by its own attitude to risk, could set objectives other than maximising shareholder returns or acting in the interests of other stakeholders. Investors probably recognise this, and rate companies accordingly. accordingly. Simon Wilson, 18 Mallard Place, Strawberry Vale, Twickenham, Middlesex

Mailfist talk does not help

### Burma reporting attacked

From Mr William Crawley.
Sir, "Burma: a revolution without laadership" (FT, August 26) draws attention to Angust 26) draws attention to the very wida audience the BBC Burmese Service has been attracting during the distur-bances of the past weeks. The Burmese government's public attacks on the BBC have indi-cated its amorent concern at cated its apparent concern at the influence this open channel of information may have been having on events in Burms.

However, your correspondeut's reference to BBC Bur-mese staff being criticised for allegedly "softening" the news should be answered.

An article containing similar criticism of the BBC Burmese Service was published in the Observer newspaper on July Unserver newspaper on July
24. The many inaccuracies in that article were dealt with by that article were dealt with by World Service. World Service, in a letter published in the Observer on July 31. The charge of "softening" the news Strand, WCZ

prised that your correspondent should have repeated it with-out any attempt at substantia-

Moreover, while information from diplomatic sources has been frequently quoted by the international media, including the EBC, it would be wrong to suggest that the BBC is wholly dependent on them. A visiting BBC correspon-

A visiting BBC correspondent was reporting directly from Rangoon during the days following the resignation of Ne Win, the former party chairman, in July, and varied news sources inside the country have continued to contribute to REC researcher and access. to BBC reporting and assessments of events in Burma.

William Crawley, Head of Eastern Service, BBC World Service, World Service, British Broadcasting Corpora-

From Mr Peter Wood.
Sir, The managing director of TNT Express, Mr Alan Jones, claims that his company could compete with the Post Office in delivering letters and parcels anywhere in Britain.
It is an impressive claim It is an impressive claim and, if feasible, would justify Mr Peter Clarke's more modest claim (Letters, August 31) that

and newspapers."
Scepticism about Mr Clarke's easy opting out of the Royal Mail seems to be in order, however, and if the smaller claim is in doubt, what of the greater? While hundreds of prefusers on our out of the the process), there is a whole range of items, such as specialist news services, international newspapers, scientific data and so on, whose reception either

does not sit easily with fax and

other technology or where on-line reception would be so expensive as to make these operations unsustainable. It would be useful, for a start, if the Financial Times were to give Mr Jones the

opportunity to justify his very large claim in detail, especially since competition with the Post Office would involve offer-"private carriers could deliver ing a better — and not simply letters, just as they do milk and newspapers."

Scepticism about Mr Clarke's change would require legisla-

tion, and so is a long way off.
Looking at today and tomorrow, should not our main focus
be on the reasons for the current dispute, and the evident Businesses can opt out of the Royal Mail through the use of fax for documents and business correspondence (increasing their costs considerably in relations in the Post Office management to create a motivated work force, rather than contributing to worsening industrial relations in the Post Office by talking in terms of smashing a monopoly?

Peter Wood, Newbold Farm,

# Which company

...is re-building Reading Station?

...is selling luxury flats in Wimbledon?

...is hiring specialist plant nationwide?

...is working on oil rigs around the world?

...is providing computer personnel in Australia? ... has put the whole of the Electoral Register

onto a computer data base? ...has provided share information offices for British Airports Authority, Rolls Royce and British Airways?

... has despatched 75 million pieces of mail in the last year?

It may surprise you to learn that all these activities are carried out by Turriff Corporation. We are listed on the London International Stock Exchange and last year our profit before tax rose 93% while earnings per share were

Our foundations are in construction. Today our strength lies in our diversity. We have four divisions. Our people are specialists - they know their business.

If you would like further information on Turriff call Peter Taylor on **0926 493400** or complete the coupon below.

To: Peter Taylor Financial Director Turriff Corporation plc PO Box 78	Please send me informotion on:	☐ Residential Property ☐ Commercial Property ☐ Plant Hire
Budbrooka Road Warwick CV34 5XJ Tel. 0926 493400	☐ The Group ☐ Construction	☐ International Plant Car ☐ Marketing Services
Name		
Address		
		m.l. l
Postcode	TURRIFF	Talephone
	TURRIFF	Talephone

STRENGTH IN DIVERSITY



### **FINANCIAL TIMES**

Friday September 2 1988

POWER SYSTEMS

0723 514141 Electric of Great British Lim Electricity Buildings, Filey Yorkshire YO14 9PJ Telex 52163 Fax 0723 515723 -

### Explosion closes Kabul airport after rocket attack

By Christina Lamb in Islamabad and Robin Pauley, Asia Editor, in London

A HUGE EXPLOSION closed plumes of thickblack smoke Kabul airport yesterday fol-lowing a rocket attack hy Afghan resistance groups. The attack detonated an ammunition depot, setting off a large number of stored rockets which rained down on the air-

port and city.
Western diplomats said parts of the airport and city were ablaze after the attack, which "hlew the airport apart". The shockwaves were felt throughont Kahul and rose above the airport buildings.

Several aircraft were seriously damaged in the attack, together with airport huild-ings. The presidential palace, the headquarters of the Peo-ple's Democratic Party of Afghanistan, and the area in which Soviet advisers to the Kahul regime are stationed, were all also reported to have been seriously damaged. The attack was the fifth on

Kabul airport in recent weeks and is believed to be part of the strategy of Abdul Haq, a senior guerrilla commander for the Kabul area.

He has argued that the capital is the key to control of Afghanistan and so civilian

Afghanistan and so civilian casualties should be kept to a minimum in other towns while a concerted effort is launched against Kabul to inflict dam-age on the departing Soviet occupation forces and to desta-hilise and demoralise the Kabul regime and its armed

forces. The Soviets, who have with-The Soviets, who have with-drawn ahont half of their 115,000 troops, have made a point of trying to protect all airports because they are crucial both for the withdrawal and for the chances of the Kabul regime surviving once the Soviets have gone.

However, they have suffered severe losses at Kabul airport, partly because of inadequate precautions.

falling to the Mujahideen the guerrillas are finding it ever easier to maka devastating

strikes on key targets in

Yesterday's was the second

rocket attack on the airport in

a few days and again demon-strates that while the capital is in no imminent danger of

Last Saturday about 20 rockets blasted the airport, damaging the main runway and causing all flights to be diverted.

### Turkish 'guest workers' dilemma for Bonn

David Goodhart reports on West Germany's problem of alien integration

THE MAN from the ministry did not mince his words. "A lot of these people are extreme nationalists, worse than Hitler," said Mr Alfred Oeffner. A less emotive comparison might have heen expected from a West German official responsible for the integration of minorities.

But there is an unashamed directness - even in Govern-ment-speak - about the prob-lems of race nationality and integration in West Germany, a directness which only some-

a directness which only some-times verges on the illiberal.

The official guide to aliens policy, for example, asserts a man-in-the-street view of absorption capacity: "The 4.6m aliens already admitted to the country (7.6 per cent of the population) means that the receptive capacity of the Fed-eral Republic is exhausted; in eral Republic is exhausted; in some densely-populated areas the percentage of aliens is over 20 per cent and thus exceeds the limits of receptivity." One of the legacies of Ger-

many's Nazi past is an extremely open official attitude to refugees. That does not. however, always extend to the quaintly named "guest workers" who make up most of the 4.6m non-Germans and who are not (at least in the first generation) encouraged to inte-grate or take German national-

Another legacy of the Nazi period is that much of the rest of the world continues, at least in private, to regard West Germany as seething with xeno-phobes. One well known Amercan economist believes that cause of slower growth in West Germany is fear that faster growth would suck in too many guest work-

Perhaps the historic lack of a clear political identity has prompted greater conscious-ness of an ethnic German-ness beyond national boundaries. There is some anxiety about the consequences of a falling

West German hirth rate. But there is no reason to suppose that ethnic minorities have a harder time in West Germany than elsewhere in Europe - probably the reverse, at least in material terms. There is no Le Pen and no Marseilles. And reluctance to grant living in West Germany today,



Turkish guest workers are given German language lessons before being absorbed into the country's manpower-hungry factories in the early 1970s. Now foreigners are less welcome

European states except where the issue is complicated by empire. Indeed the grumbles about

the ethnic Germans currently flooding into the country (200,000 this year) from the East bloc suggests that the bloody-minded dislike of supposed free-loaders is at least free of racial bias. As one woman told a local paper: "These people from the East come here and expect us to do everything for them, at least the Turks are prepared to

In the past 20 years the trickle of ethnic Germans from the East has generally integrated well, although some have found it disorienting. The current wave may be more difficult to integrate because of cent unemployment. But there is some hope that they might act as an economic stimulant as on a larger scale, their 11m predecessors from the East did just after the Second World

It was after West German industry had absorbed those Eastern refugees and continued to hunger for labour that the Government went south to Italy, Spain, Portugal, Greece, and Yugoslavia to recruit. It then had to choose hetween North Africa or Turkey and chose the latter, partly because of historical links – hence the 1.5m Turks (500,000 employees) national status is a feature of easily the largest minority.

From the mid-1960s to the early 1970s the Turks poured in - often more than 100,000 a year - turning large areas of major towns into Turkish ghettoes and keeping the steel, coal and car industries on their

In 1973 came the oil crisis and recruitment was abruptly stopped. But when it became clear that many of the guests were settling in for a longer than expected stay, and invit-ing in their families, some of the hosts became less than welcoming.

It was partly in response to tigly incidents in the late 1970s and early 1980s, when unem-ployment began to take-off, that the Government launched its voluntary repatriation scheme offering DM30,000 (\$16,000) to returning families. This was grasped by more than 200,000 Turks who saw it as a short-cut to saving the money for a small business, which is why many had gone to West Germany in the first place.

The number of Turks is, none the less, set to rise slowly thanks to the cootinuing inflow of asylum-seekers and the higher birth rate. The number could reach 2m at the beginning of the next century unless an economic miracle in Turkey lures some back.

But the Bonn Government despite occasional brusqueness - is not about to abandon its responsibilities or saek mass deportation. A large majority of Turks have been in West Germany for more than

10 years (as have more than 60

per cent of all non-Germans)

and a growing minority were born in West Germany.

The standard entry permit requires a Turk to work for the same company for a minimum of five years, but this is not strictly enforced. After five years most forms of welfare hecome available (nnemployment pay can be obtained earlier) and it is easier to import a family. After eight years a guest worker is immovable.

Aside from the right to vote, a Turk thus enjoys most of the rights of an ordinary German citizen, including full participa-tion in companies' works councils. But less than 1 per cent have taken the extra step to claim citizenship, reflecting the very low level of assimilation istance hes heen mutual. Many of the first generation immigrants come from the land and retain strong, simple, beliefs in the family, Islam, and their own nation

which they dream of returning. Integration is seen as betrayal and is not encouraged by the Turkish Government for nationalist and economic rea-sons. The Turkish economy last year received DM2.35hn (down from DM3.6bn in 1984) in remittances from workers in West Germany. That is vital for the Turkish balance of payments and the Government fears greater integration equals declining cash flow.

The West German authorl-

(Kurdish as well as Turkish) to

ties, having positively discouraged naturalisation of the first generation, may find it difficult to change tack for the second and third. The second generation, who arrived as children

or teenagers, represent a par-ticularly acute problem. They are caught between cultures, often following their parents in rejecting integration into West Germany but finding Turkish

culture even more alien.

The unskilled manual jobs that their fathers came to fill are also disappearing and Turks have not, partly because of domestic restrictions and partly because of language problems, been able to copy successful immigrants elsewhere and move in large num-bers into the service sector. Consequently, unemployment among young Turks exceeds 20 per cent.

Turkish life in West Germany often seems infroverted and joyless, crouching in the shadows of the dominant cul-ture, which is perhaps why as Mr Oeffner pointed out
 extremism flourishes, from
 Kurdish Communists to Islamic fundamentalists and neo-fascist Grey Wolves.

There are a fair number of well-integrated middle-class, educated Turks in West Germany but they generally seem uninterested in contact with their working-class countrymen. There are few well-known community spokesmen and Turks are seldom seen on tele-

The Turks may find they are more appreciated after the middle of the next decade when the number of available workers (and thus unemployment) falls off sharply. It is however, unlikely that - short of Turkish entry into the EC - the door will be opened to new immigration, especially as Greek workers already have free access and the Spanish and Portuguese follow in 1993. In the meantime, German authorities need to follow up their rhetoric about integrating younger Turks with more posi-tive inducements. Voting rights at local level or military service in the army might help. and the cost of naturalisation should also be cut. Bot it will be several decades before only the distinctive names remain

as evidence of "alien" roots.

### Checking the sums on sterling

The most worrying aspect of the sharp fall in sterling yes-terday afternoon was the lack of explanation. The idea that the latest UK weekly banking returns should account for a 3-pfennig fall in sterling in a couple of hours is unreasonconsecutive the anthorities' concerns about inflation, had money figures should be good for the pound because they point to yet higher interest rates. However, all the old bulling the pound because they point to yet higher interest rates. ish arguments for sterling are presently being rechecked; and while recent events may well be just another bout of midsummer madness in the foreign exchange markets, the health of sterling is now a mat-

ter of some dispute.

The reassuring way of interpreting yesterday's activity is that the speculators, having tired of the yen, decided to have a go at sterling. If so, the combination of continued intervention and the recent substantial widening in UK interest rate differentials should prevent sterling tumbling dramatically further, However, there is also an outside possibility that interna-tional sentiment has been so hadly shaken by last week's terrible UK trade figures that concerns about the credibility of UK economic policies are now outwelghing the interest rate arguments.

This is almost certainly too bearish a view. But the authorities now face a serious dilemma, since it will be sev-eral months before the economic data show whether they have done enough to correct the imbalances in the econ-omy. The equity market is understandably worried that they may meanwhile be forced into taking action which they will live to regret.

### RHM

Wrongfooted yet again over RHM yesterday, the market was disposed to round on Goodman Fielder and accuse it of loss of nerve. This is not wholly fair. At a time of rising interest rates and turbulent may not make commercial sense; especially since there would be no guarantee, even were the bid cleared, that RHM would still be available at a

price Goodman could afford. In pushing the price down 21p to 387p yesterday, the mar-ket was plainly inferring that Goodman has yet to find a serious buyer for its stake. That may well be right, but neither is the price yet suggesting that

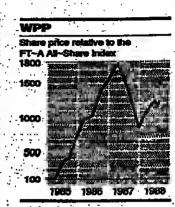
Henry Ansbacher & Co. Limited

Banque de Gestion Privée - SIB

Banque Bruxelles Lambert S.A., London Branch

Bank Leuroi (UK) Ptc

Bank of treland



the sbares will end up back in the market. Shorn of hid pre-mium, RHM might be worth mine or ten times next year's earnings, which would coincidentally work out at around the 330p Goodman would need to break even on the woller transaction. But if the market seriously thought that it was about to be landed with 30 per cent of a stock which no-one wanted to bid for, the price would surely be lower still. At such a level, there would simply be no incentive for Goodman to sell; indeed, its advisers talk defiantly of 400pplus as a minimum target. Sabre-rattling apart, the fact is that if an outright bidder can-not be found, it is in RHM's interest, as well as Goodman's, to find the stake a good home, What makes the sums puzzling for the market is that it could be a long, long process.

### Mr Martin Sorrell is such a

virtuoso communicator that it was odd to hear analysts complaining about insufficient advance warning of yesterday's excellent interim results. Still odder was the 3.5 per cent fall in the WPP share price which greeted the 50 per cent rise in earnings: perhaps someone heard that IBM had taken its business elsewhere. Even if true, the main blow of losing Big Blue would be psychologi-cal, as the entire profit of the Lord Geller agency, which hanrently wiped out by the legal costs of pursuing ex-employees anyway. Moreover, finding new business does not seem to be e problem, if the first half is anything to go by.

The speed with which WPP is returning JWT to financial respectability, and is reducing its giddy level of debt, must pacify those nervous about the daring of that acquisition. Some might still worry that

the radical remedial action et JWT may have done irrepara-hle damage to morale, or fear that the larger the leap made now the sooner WPP will return to more normal growth. Yet prefering jam tomorrow to jam today seems perverse, and in any case there seems enough jam about to make a prospective p/e less than 12 look low for a recovery stock, even in an unloved sector.

wing for th

 $\nabla G_{(x,y)} \mapsto 0$ 

### Cadbury

The market may still think of Cadhury as a takeover waiting to happen, but less so all the time. The fundamentals of a nearly 30 per cent rise in half year earnings per share and the prospect of an increase just short of that for the full year - are quickly reducing the bid premium in the share price. That is not to say that Cadbury would still merit a rating of 14% times ment a rating of 14% times prospective earnings if General Cinema took its attentions elsewhere; but earnings growth of this order must be worth something over the food sector multiple of 12.

Cadbury is obviously pushing hard to keep earnings performance one sten aboad of the

formance one step ahead of the predators, and shareholders can have found little cause for disappointment in yesterday's results. And the prospect of losing its premier UK beverages husiness to Coca-Cola in the event of a hid will presumbly also de something to keep ably also do something to keep the likes of GrandMet on the outside. But with \$270m extra from Hershey reducing gearing to single figures by year end, Cadhury will need to make quick work of a few Continental acquisitions to put its gearing back into the sort of range which would not look like an invitation.

### Beecham

The market's calm response to the departure of Beecham's managing director should not be taken as any criticism of Mr Robb's abilities. It has yet to be seen whether the company is wise to revert to combining the executive; but with both men consumer marketers by training, it was perhaps to be fore-seen that there would be little for Mr Robb to do once Mr Bauman had worked himself in. Having seen the group through the worst after the sacking of the previous chair-man three years ago, the departing MD will doubtless not lack employment else-

### Polish strikers respond to call by Walesa for return to work

would be discussed in proj-

ected round-table talks.

The Solidarity leader told his

supporters in Gdansk: "I am seeking agreement. I don't

doubt the authorities have

embarked on this road and I've

Strikes continued yesterday in Szczecin (in the port and a

hus depot), in the Manifest Lip-

cowy mine in southern Poland and in the Stalowa Wola engi-

neering works.
The government spokesman,

Mr Jerzy Urban, hinted yester-

day that the authorities might use force at Stalowa Wola,

which also produces military equipment, if the stoppage

there did not end soon. The authorities have also con-

firmed that a police officer in the works had died after a shooting incident.

Meanwhile, the Parliament's

Economic Reform Committee went into the second day of a

drawn my conclusions."

By Christopher Bobinski in Warsaw

POLISH STRIKERS have him confirm that the subject of hegun to return to work in a role for Solidarity in Poland hegun to return to work in response to a call by Mr Lech Walesa, the Solidarity leader. However, there are doubts that negotiatioos promised by the Government will lead to the recognition of the hanned union that they have been

demanding.
Yesterday afternoon some
2,000 strikers left the Lenin
shipyard in Gdansk after the strike committee there called off the stoppage. The other Gdansk yards also decided to return to work, as did the

But in a morning rally at the Lenin yard some strikers reacted angrily to the news of the decision. They heard Mr Walesa say: "We can't achieve more at this time. I gained 100 per cent of what could he gained considering the clout I had at my disposal."

Mr Walesa met General Czeslaw Kiszczak, the Interior Min-ister, on Wednesday and heard

### US refuses to lift tariffs on Japanese products

By Louise Kehoe in San Francisco

against selected Japanese products last year in retaliation for alleged Japanese hreaches of the 1986 US Japanese Semiconductor Trade Agreement. Under the terms of the con-

team while facing calls by rep-resentatives of the official trade unions for a vote of no confidence in the Government. However, it seems that for the moment General Wolciech Jaruzelski, the party leeder, has decided to retain Mr Messner in his joh, although a major reshuffle appears to be Mr Boleslaw Struzek from

the Peasant Party proposed at the meeting that representa-tives of the "constructive oppo-sition" should be brought into the Government,

special meeting devoted to examining the Government's

Mr Zbigniew Messner, the Prime Minister, defended his

record in this field.

This suggests that the idea could come up in the talks with Solidarity as part of the Government's strategy of attempting to draw the opposition into economic decision-making.

THE US has refused to lift punitive tariffs imposed

troversial trade pact, Japan agreed to stop dumping mem-ory chips and to open its semi-conductor market to foreign suppliers. The US claims that Japanese efforts to increase purchases of foreign-made chips are insufficient and that the foreign share of the Japa-nese market remains below agreed levels.

The tariffs, in the form of 100

per cent import duties on about \$150m of Japanese goods, have little financial impact but have become the source of major friction between the US and Japan because they sym-bolise the hard line that the US is taking over the semiconduc-tor trade issue.

The US refusal to lift the tariffs came at hilateral chip talks held in Hawaii this week. At the conclusion of tha talks, officials from Japan's Ministry of International Trade and Industry (Miti) claimed that Japanese purchases of foreign-made chips increased by 70 per cent (measured in dollars) in the second quarter compared to the same period last year. The increase, according to Miti, raised the foreign share of

US industry and government delegates at the talks were en route to the mainland and could not be reached for comment yesterday.

A spokesman in the US
Trade Representative's office
said, however, that the US had
not intended to lift the tariffs
and remained dissatisfied with
the current level of foreign
chip sales in Japan.

### This announcement appears as a matter of record only.



### LEASEPACK LIMITED

A Sales Aid Leasing Company managed by

UNITED FINANCIAL SERVICES LIMITED a subsidiary of MERIDIAN GROUP HOLDINGS LIMITED

£40.000.000

Revolving Acceptance Credit, Loan & Guarantee Facility

Arranged and Managed by

**HENRY ANSBACHER & Co. LIMITED** 

Banque Internationale à Luxembourg S.A., London Branch The British Linen Bank Limited Crédit Agricole, London Branch Italian International Bank Pic Riggs A P Bank Limited

Solicitors

### **WORLD WEATHER**



### Bank intervenes as pound falls

weekly. The consensus forecast was for an annual growth of around 7.7 per cent, up on July's 7 per cent growth. In June, when MO's annual rate was 7.7 per cent the Treasury said it had peaked.

Yesterday was the second time since last Thursday that the Bank has been forced to defend the pound through cur-rency market intervention. On Thursday, interest rates were also raised to 12 per cent in a move to support the currency

### UK sends second envoy

when accused of criminal activities.

But for the last two months France has again been represented by a full embassy in Tehran and is actively seeking contracts – as are West German Levis and Joseph School Seeking contracts – as are West German Levis and Joseph Seeking contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and Joseph Seeking Contracts – as are West German Levis and many. Italy and Japan which have managed to maintain good relations with Iran throughout the turbulent years of revolution and war since

Since 1980 the British embassy in Tehran has been operating officially as a "Brit-ish interests section" under the Swedish flag.
The official reason for furthe omicial reason for fur-ther hesitation is anxiety over the guarantee of safety for British representatives. There are other problems in Anglo-lianian relations – notably the continued imprisonment with-out trial in Tehran of two British citizens, Mr Roger Cooper and Mr Nicholas Nicola - but

it is now felt in Whitehall that such problems are more likely to be resolved if the two governments' diplomatic relations are normalised on a fully recip-

### **FINANCIAL TIMES** COMPANIES & MARKETS

Friday September 2 1988



### INSIDE

### Fishing for the right solution



Keeping fish on the move could be the key to maintaining the balance of marine and blological life In Scotland's lochs and coastal waters where fish farming is big industry. Bridget Bloom examines a report which warns egainst the harmful effects of such farming and describes ways to prevent this. Page 34

### Tin Council pleads its case behind closed doors

On Monday, Justice Evans, a UK-Commercial Court judge, will begin hearing in private an application by members of the International Tin Council (ITC), to strike out actions brought against them by six banks and nine brokers, all creditors of the insolvent ITC. Raymond Hughes reports on the details of this important. hearing. Page 34

### ABB lights merger fuse



ated a heavy engineering business with \$18bn sales and 1,100 factories. But ABB chairman Mr Percy Barnevick (left) observes: "The industry is frag-mented and suffers from high cost, protectionism, lots of overcapacity and it badly needs a ahake up. We ignited cross-bordar euphoria and have raised a lot of dust. There will be more global

### Mackenzie's sober reserve

The sober and down-to-earth reputation of Mr Michael Mackenzie has mada him well-placed to handle the rigours of drafting a Canadian version of the new international capital stan-dards. But many bankers are dismayed at the tough government stance on the issue. David Owen meets Canada's superIntendent of finan-cial Institutions, Page 18

alliances and not just in our industry." Page 19

### Profits pile up at Blackwood

Blackwood Hodge, the .. world's largest distributor of earthmoving equip-ment, boosted pre-tax

£4.8m (\$8.1m) In the first half parity as a result of expansion in the US, North American acqui-sitions also helped turnover to rise 40 per cent to £192.9m. UK sales increased only 4.6 per cent. Page 22 that were

### Healthy rise for Astra

A huge jump in sales of respiratory disease agents boosted first-half profits at Astra, Swedto SKr759m (\$117.6m). Cardiovascular agent sales grew 6 per cent to SKr828m. Page 19.

### Not just between friends

Shareholders of Yale and Valor, locks and household appliances group, were the uneasy witnesses to a row between old friends as Michael Montague, chairman, was Interrogated for more than an hour by Norman Davis, former company director. Clay Harris reports on the confrontation at the annual general meet-

### Merket Statistics

	Base tending rates	
	European options exc	þ
	FT-A Indices	
	FT-A world Indices	
	FT int bond service	
	Financial futures	
i	Foreign exchanges	
	Condon recent issues	

London share service London stante service
London tradit options
London tradit options
Money markets
World commodity prices
World commodity prices
UK dividends acnounced
UK dividends acnounced

18 First Technology

おおななおお

### Companies in this section

Amoco Canada, Anchor/Lith-Kem-Ko Asea Brown Boveri Associated-Henriques Astra BBA Group

D

£D

Bang & Olufsen Blackwood Hodge Bristol Waterworks British & Connwealth British Coal Canadian Imp'i Bank Cookson Group Cundell Group Dome Petroleum

irving Bank Kalon Group ambert Howarth Meggitt Holdings Microsystems Group Norfolk House **Parmslat** POVSA Petrofina UK 22 Racel 23 Raine Industries 18 Record Holdings 29 Ruberold 29 TR Industrial 23 Taylor Woodrow 22 Texasco 23 UK Paper 18 United Chemicale 20 WPP 28 Western Mining Drexel Burnham Ellis & Everard 20 Woodchester inva 18 Yale and Valor FAI Insurances

20 ICH

### Chief price changes yesterday Patrice (French) Frailin. Casho 148.5 Frailin. Casho 701 Labinal 750 Cub Med. 424 St Low Bouch 946 Schweider 425 TOKYO (Yes)

21<sup>1</sup>2 --22<sup>1</sup>4 --110<sup>1</sup>4 --3<sup>1</sup>5 --LONDOM (Pence)
Rises
kish Dist. 358
U.K. Paper 164 385 ½ - 11 ½ 201 - 8 151 ½ - 6 285 ½ - 10 ½ 387 - 21 948 - 11 217 - 8 Lex Service Faithe ASDA (kp. Berchys) Barker (Ch.) Bits Everand Latheries 146 - 5 391 - 3 155 - 8 170 - 14 128 - 12 426 - 9

# Beecham managing director quits in shake-up

By Christopher Parkes, Consumer Industries Editor

Bauman medicine

of healthy future

Peter Marsh and Christopher Parkes examine

the restructuring of a major UK drugs group

holds promise

r Bob Bauman is "feel-ing good." It is a phrase he is fond of and one he

would like others to use when

considering Beecham, the health

care and consumer products mul-tinational he took in hand two

years ago inis monn.
Until recently, to fend off probing questions, he was equally fond of saying he had been with the company for only a little while and still had a lot to learn.

Now the learning curve has apparently flattened. Mr John Robb, the group managing director who held his hand in the

tor who held his hand in the early months, and became increasingly redundant as Mr Bauman got to grips, resigned yesterday. To add to the feeling that a new era was dawning, the group announced simultaneously that its consumer products business was to be restructured root and branch.

and branch.

and branch.

Following similar moves in pharmacenticals and cosmetics, beverages, toiletrles and over-the-counter drugs have been boiled down from eight separate operating divisions into five new geographical groups under Mr John Hunter, reporting directly to executive chairman Bauman.

London's business community

London's business community

after the moves - but only in

parts. After changing virtually

the entire board in the past two

years, and talking constantly of superior earnings growth, Mr

Bauman faces a testing time "to see if he is really up to scratch,"

says Ms Jenny Royal at the

stockbrokers, James Capel
There are criticisms that the

transformation of the consumer

business might not be without its

hiccups. However, Ms Susan Hay-lock of Barclays de Zoete Wedd,

years ago this month.

MR JOHN ROBB, managing director of the Beecham group since the boardroom coup of November 1985, resigned yester-

day. His departure coincided with the completion of a series of structural and management changes in the drugs and consumer products multinational which had greatly reduced his influence and responsibilities. Beecham has grouped all con-sumer products businesses including beverages such as Lucozade, toothpastes including Macleans, Brylcreem baircare

cines such as Beechams Powders

– under a single management

It will be headed by Mr John Hunter, 51, currently chairman of Beecham Products Europe & International. He will report to Mr Bob Bauman, executive chairman, in common with the heads of the pharmaceuticals and cosmetics divisions, which have been regrouped in the past

Mr James Andress, former president of Sterling Health of the US, was appointed chairman of the revamped pharmaceuticals business in July. The cosmetics

UK securities firm, points to potential cost savings from rationalisation in the division,

and the fact that most of the

executives in the new-look con-sumer business are relatively young and eager, and Beecham men of long experience.

The company was in a sorry state in the mid-1980s. It was ear-

marked as a potential takeover and bust-up target, following three years of flat earnings and

the consequent ousting of many top managers, but is now considered to be out of the casualty ward and rapidly getting better.

After a 1 per cent increase in

1986, earnings per share rose 16 per cent last year, and brokers forecast a similar increase in the

current 12 months.

Much of the turnround is attri-

buted to Mr Bauman, who, despite the air of nonchalance

alcoholic drinks.

It lost ground in the e

Sir Ronald Halstead, the chair-

operations is controlled by Mr Bernard Nicholson.

Mr Robb, 52, said that after virtually running the company for a year until the arrival of Mr Bauman from Textron, a US aerospace company in August 1986, he had felt his influence being eroded.

"I have been a loyal Beechams man but not so loyal as to sit down and draw a hig salary for doing nothing," he added. Although his resignation takes effect immediately. Mr Robb is remaining at the company for the time harm.

Changes in the consumer prod-ucts business, Mr Robb's special-ity, involve consolidation of eight operating divisions into five geographical groups. In the US, for example, the Norcliff Thayer non-prescription drugs company in New York and the Beecham Products operation in

Pittsburgh will be run as one The UK food business is to be combined with OTC drugs and

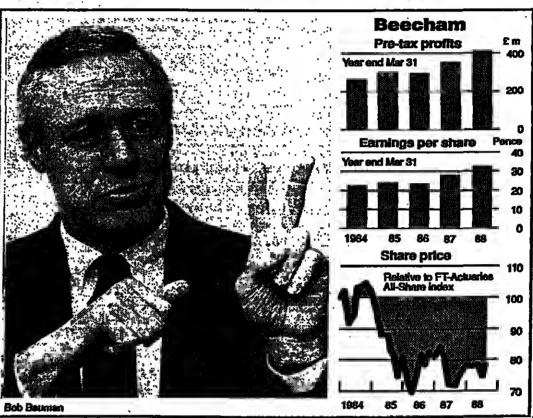
toiletries. Although rationalisation is expected to cut costs, no decisions have yet been taken on combining administration or

other functions, the company said. The new structure is expected to lead to closer co-operation between research, development and marketing of new global

Beecham started restructuring by selling non-core businesses shortly after Mr Robb took charge. It has changed markedly since 1985 when Sir Ronald Halstead was ousted after only 15 months as chairman and chief executive because he failed to

improve lacklustre results.

Lex, Page 16



roughly half the trading profit of £410m - was accounted for by prescription pharmaceuticals.

and ready smile, has been tough in forcing change. Beecham is commonly thought Mr Bauman has also continued the process of removing many senior executives. He said recently - before yesterday's shuffles - that be had switched round 20 upper management posts, with eight of the replaceof as one of Britain's post-war industrial success stories. In the 1960s and for much of the 1970s it was in the forefront of develop-ments in antibiotics. But then it diversified, none too successfully, into do it yourself, cosmetics and ments coming from outside the After twice calling in manage-

ment consultants, Beecham has turned its attention to all levels of management. The 150 most 1980s, amid criticisms that it bad grown complacent, senior people in the company are prompting non-executive directors to head a boardroom coup in being subjected to regular performance reviews and a similar sys-1985 which led to the removal of tein is being introduced to cover the 2,000 people who earn more than £30,000 a year. Firm financial targets have

Since then, Beecham has sold been set, and the group has increased research and developchunks of peripheral activities and focused on health care. Sales have so far netted more than ment (R&D) spending in the important drugs division - this About a third of Beecham's £2.5bn turnover last year - and went up from £83m in 1985 to £95m this year - and boosted

budgets for advertising campaigns designed to draw atten-tion to Beecham's leading consumer brands, such as Lucozade, Boyril and Tums.

T Bauman sees drugs R&D strategy as cru-VI cial. The company is still commonly thought of being too dependent on relatively old antibiotics products, although some promising medications are due to emerge onto world markets during the next few years. lation to treat heart attacks, and

Relifex, an anti-arthritis product. Although Mr Bauman is the first to admit he is no expert on pharmacenticals - his previous experience was in consumer packaged goods and aero-space – he says he has tried to pick up knowledge wherever he

In some ways, according to Mr Bauman, there are similiarities between drugs development and aerospace in terms of the long

product lead times that apply to both disciplines.
Shortening these development

times for new drugs is a priority, he said. In this area, Mr Bauman concedes Beecham has learned from the experiences of other big drug companies such as Glaxo
Above all, he is committed to
motivation. "I'm trying to create
an environment that encourages

our employees to seek excellence. We must be dynamic and committed to winning," he says. nology has encouraged scepti-cism about the man. Some observers reckon his manage-

ment style cannot be as perfect-But he believes he is making progress: "People feel better about the company. It's perceived to be better directed. It all helps

to improve the atmosphere." And he acknowledges there is still a long way to go before completing the turnround. "I said when I came here it would take

### **Liberty Life** set to sell foreign interests

By Jim Jones in Johennesburg

LIBERTY LIFE, South African insurance group, is to relinquish direct control of its foreign interests by hiving them off to First Union General Investment Trust (Fugit), a separately-quoted sub-

Fugit will sell its entire portfo-lio of South African shares to

lio of South African shares to Liberty and buy Conduit Insur-ance Holdings, Liberty's wbolly-owned British holding company. Conduit's principal interest is 49 per cent of TransAtlantic Insurance Holdings, the Luxem-bourg listed vehicle for the group's three key British invest-ments

TransAtlantic owns 26 per cent of Sun Life insurance group, 64.4 per cent of Capital and Counties property company, and 41 per cent of Continental and Industrial Trust (CIT), an investment trust. Conduit owns another 29.5 per cent of CIT. Prices will be determined early

next month, but the companies estimate Fugit will need a rights issue of about R450m (\$183.8m) to make up the difference in value between the shares it sells and

the British assets it buys.

Mr Donald Gordon, Liberty's chairman, said there are no plans to develop the foreign interests to

be held by Fugit.

As a result of the transaction,
Fugit will lose its London Stock Exchange listing to be quoted only in Johannesburg Analysts believe Fugit's next

move will be to acquire Britisb or European assets by issuing its own paper, and gradually cut its South African sharebolding below 50 per cent.

At that stage, analysts speculate, Fugit's domicile will be shifted out of South Africa, Fugit, currently 85 per cent owned, will end up 71.2 per cent beld by Lib-erty and its associates.

### Pernod-Ricard lifts stake in **Irish Distillers**

By Lisa Wood

PERNOD-RICARD, the French drinks group, announced yesterper cent its stake in Irish Distillers, which is the subject of a hostile I£253m (\$338m) bid from

Grand Metropolitan of Britain.
Pernod, which has been tipped as a possible white knight counter-bidder for Irish Distillers, is expected to clarify its intentions towards the whiskey manufacturer today.

The French company said on

Tuesday it had increased its stake in Irish Distillers from less than 1 per cent to 2.8 per cent.

# Goodman Fielder moves to sell

£370m.

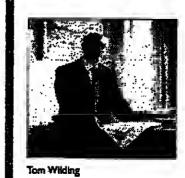
GOODMAN Fielder Wattie, the

Goodman has therefore asked the commission to confirm that the reference will be laid aside. Goodman's bid, which lapsed on the reference, was made on a highly-leveraged basis, that is,

although the commission was asked to report in three months

number of inquires from several countries about the holding during the past few months, although no discussions were taking place before yesterday's

# PAPER INTERIM RESULTS 1988



### **UK Paper Pic**

Interim results for the half-year ended 30th June 1988

Six months Six months Up to 30/6/88 to 30/6/87 £106.4m £89.7m 18.6% £6.1m 37.7% Profits before tax £8.4m Earnings per share 9.0p 7.2p

The Board has recommended an Interim Dividend of 2.0p per share.

### **Highlights**

Turnover

Profits up 37.7% to £8.4 million on Turnover of £106.4 million.

Home and export markets for UK Paper products expanding rapidly.

Capital expenditure plans accelerated securing our position at the forefront of technology and quality within the industry.

Mr Tom Wilding, Chairman and Chief Executive said:

"With the first results since becoming a public company I am pleased to report good progress in all our operations. Demand for our products is growing strongly and prospects for high quality paper manufacturing ore particularly encouraging."

A copy of the Interim Results is available from the Secretary: UK Paper Plc, UK Paper House, Kemsley, Sittingbourne,

# shareholding in Ranks Hovis

By Nikki Talt in London

Australasian food group, yester-day put an official for sale sign over its 29.99 per cent stake in Ranks Hovis McDougall, the British food company with brand names including Mothers' Pride and Hovis hread, Robertson's jams and Mr Kipling cakes.

Goodman said the company had reviewed its position in the light of the referral of its £1.7bn (\$2.7bn) bid for RHM to the Monopolies and Mergers Commission two weeks ago. It believed that "subject to receiving satis-factory proposals, it is now in the best interests of its shareholders for the company to dispose of its shareholding."

ence, other international expansion opportunities and the undertakings requested by the Office of

Fair Trading during the referwas a possible restriction on voting rights to 15 per cent - a

Goodman, bowever, said yes-

fairly standard requirement during the inquiry. Moreover,

PWS Holdings, a troubled medium-sized Lloyd's of Loudon insurance broker, has suffered a further blow with the resignation of its chairman Mr Ron Peet after he protested about signs that a bitter personal battle was developing for control of the company. Mr Peet, who was once chief executive of Legal & General, the large UK life insurer, said last night that he resigned from the

PWS board at a meeting on Tues-A public announcement of his resignation did not appear on the Stock Exchange TOPIC informa-tion service until 5.05pm yester...

day.
The immediate cause of his departure was his anger at what last few weeks that there was a

he believed was a calculated leak to two British national newspa-pers last week of confidential

Israeli businessman Mr Ben-Zur resigned after the revelation that the group would

One key factor is that Mr Ben-Zur, his mother and his sisters

control 42.5 per cent of the PWS group's shares via Opticford, a Cayman Islands company largely owned by a Ben-Zur family trust. Yesterday's announcement said that Mr Pearson had taken over as chairman and Mr Spring bett and Mr John Farmer had

employing substantial bank loans. The Department of Trade and Industry explained the refer-GFW was aware this could be There was also anxiety that RHM would be able to make a ral on grounds of "possible effects on competition, especially in the market for bread, arising modest acquisition during the out of the financing of the pro-posed acquisition." referral period. The news surprised the stock market, where RHM shares have Goodman said its decision to sell the stake, valued at just under £400m on yesterday's held fairly firm on hopes that GFW might sell the stake to a new suitor. The fact that a buyer prices, had been reached after considering the costs and time involved in pursuing the referhas not yet been found sent the shares 21p lower to 387p. One analyst described the announce-ment as a bit of a distress notice.

Fresh blow to Lloyd's broker

PWS information detrimental to the group and to its former chief executive, Mr Ronnie Ben-Zur. Mr Peet's resignation came less than four weeks after the departure of Mr Ben-Zur, a 34-year-old

have to write off £4m (\$6.8m) following its disastrous acquisition of Glenn Nyhan & Associates, a San Francisco-based insurance broker specialising in managing mutual insurance schemes It has been an open secret in

the Lloyd's community for the

danger of a struggle for control of the group developing between Mr Ben-Zur on the one hand, and two other PWS directors, Mr Mal-colm Pearson and Mr David

become deputy chairmen.

Mr Brian Sounes, a close associate of the Ben-Zur family, has stepped down from his post as PWS's acting chief executive.

### INTERNATIONAL COMPANIES AND FINANCE

### Bank regulator with sober reserve Fed takes

David Owen meets Canada's superintendent of financial institutions

THE TOUGH LINE taken by the Canadian Government in drafting a domestic version of the new international capital standards may have dismayed many Canadian bankers. But it should not bave surprised

It is perfectly in keeping with the sober, down-to-earth reputation enjoyed by Mr Michael Mackenzie, Canada's superintendent of financial

institutions.
It is a reputation nurtured over a 30-year stint as char-tered accountant with Clarkson Gordon, the country's second-largest accounting firm. And it is one which Mr Mackenzie has done nothing to dispel since assuming his present position in February 1967.

Under his tenure, the leading Canadian banks have added substantially to their reserves against possible losses on loans to troubled Third World countries, and changed procedures for writing off loan losses.

The restructuring of the domestic financial services industry has also proceeded apace, with banks assuming control of most of the largest Canadian investment dealers. Mr Mackenzie, a keen skier and tennis-player, has so far failed to acquire a taste for der-

egulation, however.
"The longer I look at it, the less I am convinced that society as a whole gains by the deregulation of financial ser-vices," he says. "I think that is vices," he says. "I think that is an unsold proposition."

The two specific complaints

only type of loss reserve to constitute a bona fide part of capital is "a true contingency

By Our Toronto Correspondent

Commerce, the country's sec-ond-largest chartered bank,

yesterday reported net income of C\$139 Im (US\$112.2m) or 77 cents a share for its third quar-

This compares with a loss of C\$334m or C\$2.56 a share in the

corresponding year-earlier period. The 1987 figure included a hefty C3450m provi-

sion relating to an increase in the bank's reserves on loans to troubled Third World coun-

In the first nine months, net income totalled C\$417m or C\$2.37 a share, versus a loss -

ter ended July.

non-interest income

Michael Mackenzie: a keen skier and tennis player

usually made by bankers with regard to the new capital stan-dards are that neither Third World loan loss provisions nor unrealised gains on property or securities portfolios will be treated as second-tier capital. Canadian banks, they argue, will therefore be placed at a disadvantage to overseas com-petitors whose jurisdictions have adopted a looser defini-

tion. Mr Mackenzie explains these decisions as follows. Third World loan loss reserves, he says, are "clearly allocated." In his view, the

share a year ago.

income. Particularly signifi-

cant were improvements in loan fees and income from for-

The bank's assets as at July

tially offset by declines in inter-bank deposits and securi-

eign exchange transactions.

reserve to look after the inherent risk of loss in a good port-

He objects to the inclusion of imrealised property and securi-ties gains, meanwhile, on the grounds that they are likely to evaporate when most needed. If you look at capital as being there to sustain hits when things go bad," he says, "my guess is that at the same time as you need the capital, the unrealised gains will have

In addition, he points out (reasonably enough) that banks should not be permitted effectively to cherry pick the assets which they revalue. If you are going to allow reval-

uing, you have to write down Third World loans to market value." he says.

Mr Mackenzie did make one concession to bankers by allowing them initially to include goodwill (mainly accruing from recent investment dealer accuisitions) in ment dealer acquisitions) in their calculation of core capi-tal. "We have some distance to go in resolving with the industry what our real position on this subject is," he says in

explanation. In conclusion, Mr Mackenzie asserts that any observer or analyst who fails to take account of differing national interpretations of the BIS guidelines is "comparing apples and oranges." He also cautions against any assump-tion that standardising international capital requirements somehow gives room for com-placency. "If you have a good portfolio, 8 per cent is probably too much capital," ha says. "But if things go badly, it is nowhere near enough." Canadian banks are gener-

canadian banks are generally expected to have little dif-ficulty in raising the additional sums which they will need to comply with the new capital adequacy standards by the 1992 deadline.

Recent months have seen a string of subordinated debt issues designed to add to banks' tier-two capital. This is currently estimated by analysts at on average approximately 1.8 per cent of assets, according to the new Canadian definition.

### CIBC buoyed by jump in | Embraer calls on foreign suppliers to invest \$50m By Our Financial Staff

CANADIAN Imperial Bank of including the special provision Commerce, the country's sec-EMBRAER. state-owned aircraft manufacturer, wants foreign suppliers of components to invest in the Results in the latest period were buoyed by a near 20 per company, as part of a \$50m foreign financing currently being cent increase in non-interest

negotiated. "We want our suppliers to invest in us," said Mr Manoel de Oliveira, assistant to Embraer's finance director. Embraer said last June it 31 totalled C\$3.8 bn. compared with C\$87.2 bn a year earlier. Steady growth in mortgages and consumer loans was parwanted to convert \$50m of for-eign debt into capital, urgently needed to reduce financing

costs and develop new aircraft.
The company also expects to receive \$183m from Brazil'a National Development Bank, to bring its total financing to \$183m. Embraer will use part of the money to develop the CBA-123, a 19-passenger com-muter aircraft which would fill a gap in the light aircraft mar-ket, said the company's managing director, Mr Ozilio Carlos

This is the first time the company has said it wants foreign suppliers to take part in the debt-for-equity swap. Many of Embraer's components, in particular such high-technology items as avionics, are from foreign suppliers, particularly from the US.

### offence at Italian protests

By Anthony Harris in Washington

THE US Federal Reserve Board is puzzled and a little offended by Italian protests over their treatment of the bid by Banca Commerziale d'Italia for irving Bank of New York, and aspecially by the charge that it shows the Fed to be protectionist. In the Fed view this is a one-off case, a hid by a foreign bank owned by a state-owned holding company.

The only precedent was the problem bid by BCI itself

much earlier bid by BCI itself for the Long Island Trust Com-pany, a small investment con-cern. That hid was allowed, but BCI was warned clearly that its status as a subsidiary of an industrial holding company

raised difficult issues.

"When it came to this second bid, we leant over backwards to cater for Italian susceptibilities, and we thought we had a deal which they would accept says Mr Michael Bradfield. General Counsel to the Board, who handled the legal issues. "They have not explained their withdrawal, and we can only assume it is something to

do with the relations between BCI and its holding company, IRI (Istitute per la Ricostru-

IRI (Istituto per la Ricostruzione Industriale). They don't
seem willing to admit that IRI,
which has a 60 per cent holding, has legal control."

Banking acquisitions in the
US are constrained by two
laws, the Glass-Steagall Act
and the Bank Holding Act, as
well as by the naw international rules on capital ademacy.

quacy.

The Fed was not seeking to treat IRI as a US bank holding company would be treated, but simply wanted IRI to ask for specific waivers, so that its bid

would not create a precedent.

Thus, IRI was not required to make the full financial disclosures usually demanded. It was not required to divest industrial holdings, nor to meet the capital requirements demanded of bank holding companies.

The only demands were that Irving's own capital be main-tained at the average level for other US banks of its size and that there be no cross-market-ing of financial products by Irving and BCI's own US branches.

### Texaco makes pledge on sale of Canadian unit

By Our Financial Staff

TEXACO, the US oil group which is planning to sell its 78 per cent interest in Texaco Canada, says it will only consider offers which also satisfy the public shareholders who own the remaining 22 per cent.
Among the assets to be spun
off are interests in certain producing and exploration properties and \$65m in cash. The interests include positions in several established Cana. dian units with estimated proven reserves of 4.3m barrels of oil and liquids and 22.5 cu ft of gas, a Brazilian service contract covering some 21m acres of exploratory lands, and a stake in a Mauritanian producing-sharing contract covering some 1.8m acres of offshore exploration.

Daily output from the producing properties is expected to average 8m cu ft of gas and 950 barrels of oil and liquids. Shares in the new company will be distributed to current holders of Taxaco Canada stock and will be publicly

traded.
The company said: "Texaco has committed, subject to certain conditions, that it will not accept an offer that is not made available to the minority abareholders, at least on an equivalent consideration basis."

It says the commitment will end only if a bidder falls to receive regulatory approval from Canada or if Texaco fails to sell the company by Septem-ber 1 1989.

The company issued the statement after it reached an agreement with the Canadian subsidiary on how the sale should be structured.

The structure for the sale of our interest is intended to provide acquired to provide acquired

vide equitable treatment of Texaco Canada's minority shareholders which we fully respect," said Mr James Kin-near, president and chief exec-

We believe that the co-operation evidenced by this accord will facilitate and expedite a successful sale that benefits all parties involved."

The sale is part of Texaco's plan to sell \$5bn of assets in a move to make the company more profitable.

### Venezuela seeks refineries

PETROLEOS DE Venezuela (PDVSA), the state-owned oil company, is reported to be holding talks to acquire a major share of refineries owned by Texaco Canada and Valero Energy of the US.

PDVSA will not comment publicly on specific negotiations of this nature, but such an acquisition would be in line with Venezuela's programme of buying important shares of refineries in other countries to PETROLEOS DE Venezuela

refineries in other countries to obtain firm oversess markets

Over the past few years, PDVSA has invested more than US\$400m in oil refining

and distribution networks in and distribution networks in
West Germany (Veba Oel),
Sweden (Nynas Petroleum) and
the US (Citgo Petroleum and
Champlin Refining).
PDVSA can now place at
least 450,000 barrels per day of
crude oil with refineries outside Venezuela in which it is a

partner. The company's goal is to buy into one or two more refineries so that it can guar-antee placement of around 700,000 herrels a day, or about half its exports.

Sources outside PDVSA say that the company has been studying investments in a vari-cty of foreign oil companies,

including Texaco, BP Rotter-

According to Reporte, the Caracas business newspaper, PDVSA is interested in a 100,000 b/d refinery in Corpus Christi, Texas, owned by Val-

PDVSA officials are eager to complete talks on new investments as soon as possible since they could face a formidable political barrier to new acquisitions under the next adminis-tration, which will begin a five-year term in February,

### Amoco and Dome consummate merger

By Our Toronto Correspondent

16-month courtship of Dome-Petroleum, the dabt-laden Canadian energy company, was expected to he ritually consummated yesterday afternoon at a lavish signing ceremony in a central Calgary hotel.

The transaction will create the largest energy producer in Canada. In sum, the new com-pany will produce approxi-mately 125,000 barrels of oil, 750m cu ft of gas and 2,000 tonnes of sulphur daily. The completion of the C\$5.5bn (US\$4.4bn) takeover,

Canadian Government have been persuaded to back the Amoco offer.

Anthe time of writing, only the persistent Mr Abdulreh-man Premii, a Dome share-holder who claims to represent foreign investors willing to pay C\$6.5hn for Dome, stood in the way of the deal's formal clos-

ada was scheduled to rule yes-terday on whether to hear Mr Premji's appeal that Dome shareholders were unfairly treated in the merger with Amoco Earlier this week, an Alberta appeals court dis-missed Mr Premit's protest as "singularly devoid of merit."

The takeover will complete the demise of a 38-year-old company which was undone by too many debt-financed acqui-sitions and the end of Opec hegemony in the oil market. The Supreme Count of Can-totalled in excess of C34bn.



### SEKISUI HOUSE, LTD.

(Incorporated under the laws of Japan)

U.S. \$300,000,000 4¾ per cent. Notes Due 1992

Warrants

to subscribe for shares of common stock of Sekisui House, Ltd.

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

Sanwa International Limited Robert Fleming & Co. Limited Union Bank of Switzerland (Securities) Limited

Baring Brothers & Co., Limited Chase Investment Bank Daiwa Europe Limited Nomura International Limited Sumitomo Finance International ANZ Merchant Bank Limited Cosmo Securities (Europe) Limited Credit Lyonnais Dresdner Bank Aktiengesellschaft Goldman Sachs International Corp. KOKUSAI Europe Limited Merrill Lynch International & Co. Morgan Grenfell Securities Limited New Japan Securities Europe Limited Norinchukin International Limited Sumitomo Trust International Limited Taiyo Kobe International Limited Towa International Limited

BNP Capital Markets Limited Daiwa Bank (Capital Management) Limited The Nikko Securities Co., (Europe) Ltd. J. Henry Schroder Wagg & Co. Limited Algemene Bank Nederland N.V. Bank of Tokyo Capital Markets Group County NatWest Limited **DKB** International Limited Fuji International Finance Limited Kleinwort Benson Limited Meiko Europe Limited Mitsubishi Finance International Limited Morgan Stanley International Nippon Kangyo Kakumaru (Europe) Limited Salomon Brothers International Limited Taiheiyo Europe Limited Tokai International Limited S.G. Warburg Securities



US\$ 10,000,000 **Pre-Export Finance Facility** 

Lead-Managed by

American Express Bank GmbH Trans-Arabian Investment Bank E.C.

Trans-Arabian Investment Bank E.C.

**Arab Turkish Bank** 

American Express Bank GmbH

Deutsche Verkehrs-Kredit-Bank AG

Banco de Fomento Nacional

Banco de Bilbao (Suisse) SA

Staal Bankiers N.V.

Bankhaus Gebrüder Bethmann



American Express Bank GmbH



EAST RIVER SAVINGS BANK East River Savings Bank

U.S. \$100,000,000 Collateralized. Floating Rate Notes due August 1993

For the three months 31st August, 1988 to 30th November, 1988 the Notes will carry an interest rate of 8.8625% per annum with an interest amount of U.S. \$2,240.24 per U.S. \$100,000 Note, payable on 30th November, 1988.

Bankers Trust Company, London

First Chicago Overseas Finance N.V.

U.S. \$100,000,000 **Guaranteed Floating Rate** 

Subordinated Notes due 1994 For the three months 31st August, 1988 to 30th November, 1988 the Notes will carry an interest rate of 9% per annum with a coupon amount of U.S. \$227.50. The relevant interest payment date will be 30th November, 1988.

Company, Londor Bankers Trust

Electricité de France U.S. \$300,000,000 Floating Rate Notes due 1997

with Warrants permitting exchange of Notes for ECU-denominated 9%% Bonds due 1995
Notes and Bonds unconditionally guaranteed by The Republic of France

For the period 31st March, 1988 to 30th September, 1988 the interest amount will be U.S. \$401.81 per U.S. \$10,000 Note, payable on 30th September, 1988.

Central International Limited

U.S. \$150,000,000

Floating Rate Notes due 2006

For the three months 31st August, 1988 to 30th November, 1988 the Notes will carry an interest rate of 8116% per annum with an interest amount of U.S. \$222.76 per U.S. \$10,000 Note and U.S. \$2,227.60 per U.S. \$100,000 Note payable on 30th November, 1988.

Bankers Trust

### INTERNATIONAL COMPANIES AND FINANCE

### ABB lights European merger fuse

Nick Garnett interviews the head of the Swedish-Swiss group

It is fragmented, high cost, pro-tectionist and with lots of overcapacity. It badly needs a shake up in turbines, in loco motives, in fact in the whole of

heavy engineering."

Mr Barnevik, chief executive of Asea Brown Boveri, is in a good position to talk about all this. The formation last year of ABB has had such an unsettling effect on electrical cond ing effect on electrical engineering that almost everyone in the industry is fleeing for cover, trying to set up mergers, acquisitions and joint ven-

ABB, a merger of Sweden's Asea and Brown Boveri of Switzerland which created a business with \$180n sales and

business with \$18bn sales and 1,100 factories, is at the centre of many of these.

First in the supply of power generation equipment and now in locomotive and rail equipment building, the Europeans are being shaken up.

"We ignited cross-border euphoria," says Mr. Barnevik.

"ABB has raised a lot of dust.

There will be more clobal alli.

There will be more global alliances and not just in our

The impending changes in the European market after 1992 are also having an impact. Since ABB's formation, however, the speed at which the approach in the approach of the comparation of the comparation that the comparation of the comparation ever, the speed at which the ownership structure of the power station supply industry is being reshaped has acceler while all this has been going on, Siemens of West Germany, one of the long-term players in power engineering, is being reshaped has acceler the speed at which the one of the long-term players in discussions with

r Percy Barnevik says: "This is the pain in our industry gmented, high cost, prost and with lots of overst and with lots of oversy. It badly needs a pp in turbines, in locot, in fact in the whole of ingineering."

armevik, chief executive Brown Boveri, is in a sition to talk about all the formation last year of its had such an unsettled.

atted dramatically.

It is only emerging now how extensive the changes are likely to be. What is happening is the creation of three or four powerful European groupings linked through joint ventures with the formation of two giant joint ventures with Westinghouse for the North American market in turbines and in

market in turbines and in power transmission. The Swedish-Swiss company

has also recently purchased a substantial stake in Franco Tosi, the Italian power engineering group, whose products include boilers, transformers and switchgear, and total ownership of Marelli, a Franco Tosi

subsidiary making generators.

It has also bought Sadelmi, an Italian electrical group, Adda Costruzioni, an Italian high voltage switchgear maker, and a Spanish transformer

More spectacularly, it has emerged that ABB is in detailed negotiations with Ansaldo, the state-owned Ital-Ansaudo, the state-owned iralian electrical engineering company. ABB believes Italy will be the fastest growing European market for its range of products through the 1990s.

While all this has been going on Signeens of West Gorgany.

Percy Barnevik: Lanti. GE. If these talks come off, this

could provide a second large could provide a second large power engineering grouping.
Alsthom, the big French power engineering group, is also determined to stay in the business. There have been no signs of any major deals yet involving Alsthom, though it recently purchased ACEC, the Belgian power equipment maker.

At the same time GEC, a

At the same time, GEC, a British turbine and switchgear maker, has been in joint venture discussions with some other European suppliers. Observers have suggested a possible link-up with Frama-

tome in France.

Mr Barnevik says the companies that will suffer as a result of all this reshuffling will be medium-sized, full range

nationally-minded companies. "There will be a continuing shake out. Demands of R and D and the need to have access to global markets is going to push

them into bigger groups."

To put that in perspective,
ABB, which has a \$20bn balance sheet and 180,000 employees in 45 business sectors,

ees in 45 business sectors, employs 11,000 in R and D alone with a \$1.2bn budget.

Mr Barnevik says something similar is likely to happen in Europe's rail equipment industry. There are around 16 mainstream loco huilders in Europe compared with two in the US and three in Japan.

ABB already makes locomotives in six European countries

tives in six European countries and claims to be the higgest European train maker ahead of

Alsthom.
It has just purchased Ascan Scania, a small Danish train maker and is bidding in partnership with British groups for Brel, the British locomotive and rail equipment maker. ABB also announced yesterday that it had acquired British Wheelset, a rail wheel maker in the UK.

But some of the biggest moves could soon be in Italy. ABB's discussions with Ansaldo covers most business segments, including rail equip-

This is all part of the same theme. "Companies need to get stronger in Europe to cope with Japanese and US companies," says Mr Barnevik.

**Astra lifts** 

halfway

By Robert Taylor in Stockholm

profits 13%

pharmaceuticals company,

recorded a 13 per cent increase in its profits, after financial items, for the first six months of this year. They rose to SKr759m (\$117.6m) compared with SKr74m for the same

Group sales went up by 14 per cent to SKr3bn against

SKr2.64bn in the first six

the Swedish

### **NIPPON COINCO** CO., LTD.

U.S. Dollar 60,000,000

31/4 per cent. Guaranteed Bonds 1992

with

Warrants

The issuer of the above-captioned issue hereby announces that, effective 3rd September, 1988, its corporate name will be changed to

NIPPON CONLUX CO., LTD.

2nd September, 1988 Nippon Coinco Co., Ltd.

### **UNIT TRUSTS**

The Financial Times proposes to publish this survey on:

**19th October 1988** 

For a full editorial synopsis and advertisement details, please contact:

> Tim Davis on 01-248 8000 ext 4181

or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

**FINANCIAL TIMES** 



### Credit Commercial de France

U.S. \$250,000,000

Floating Rate Notes due 1997

For the interest period 31st Merch, 1988 to 30th September, 1988 the amount payable per U.S. \$10,000 Note will be U.S. \$401.81. The relevant interest payment date will be 30th September, 1988. Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

Agent Bank



### International Bank for Reconstruction and Development

U.S. \$250,000,000

**U.S. Dollar Floating Rate** Notes due February 1994

For the interest period 31st August, 1988 to 30th November, 1988 the Notes will carry an interest rate of 7.66% per annum with a coupon amount of U.S. \$193.63 per U.S. \$10,000 Note, payable on 30th November, 1988.

Bankers Trust Company, London

Agent Bank

### Farmers in Parmalat talks

By John Wyles in Milan

merge

THE MYSTERY surrounding the future of Mr Calisto Tanzi's

the future of Mr Calisto Tanzi's Parmalat food empire deepened yesterday with confirmation that Italian agricultural interests are negotiating a possible investment in the company.

Mr Stefano Wallner, president of Confagricultura, which represents Italian farmers, believed Parmalat's negotiations with Kraft of the US on the sale of some of its non-milk the sale of some of its non-milk products subsidiaries had been halted.

In the meantime, discussions were under way on a possible merger between some or all of Parmalat with the food processing activities of Federcon-sorzi, the national federation of Italy's agricultural co-opera-

Mr Wallner, whose organisa-tion is the minor shareholder in Federconsorzi, said: "We are now talking about which parts of Parmalat might match up

He doubted, however, whether Federconsorzi had the whether Federconsorzi had the resources to huy a significant stake in Parmalat — 40 per cent has been mentioned as an objective — and a third party was needed to complete the arrangement. "It would be a good idea if this was Kraft," he added.

The quest for an "Italian solution" for Parmalat has some political backing and is being spearheaded by Mr Arcangelo Lobianco, the Chris-tian Democrat president of Col-diretti, which represents Italian small farmers and is the dominant shareholder in Federconsorzi:

erconsorz:

The co-operatives' federation had annual sales last year of L3,046bn (\$2.19bn) of which L126bn was specifically food products. Animal feeds, fertilisers and agricultural machinery are much more finencially. are much more financially important parts of its business. Net profits were little more

than LSbn.
Parmalat's need for a capital injection or a sale of assets arises from its heavy borrowings, which total around L500bu. The deal most recently discussed with Kraft is believed to have been a 1300m. believed to have been a L300m sales of baking, fruit juices and tomato sauce manufacturing

months of last year. The com-pany said it expected the group's total sales in 1988 would increase by around 12 The area of Astra's products that recorded the higgest growth was once again in respiratory disease agents, with sales increasing by 23 per cent to SKr745m, while cardiovascular agent sales grew by 6 per cent to SKr828m. There now been largely completed.
With a net debt of around
13,300bn, Ferlin would have a
debt to net worth ratio of was a substantial improvement in the company's performance in antibiotic sales, which rose

period of 1987.

by 20 per cent to SKr233m. Sales growth continues to be strong ahroad, where 82 per cent of Astra's products went.

36% rise and good outlook By Our Stockholm

Esab reports

Correspondent

ESAB of Sweden, the world's leading manufacturer of weld-ing equipment, reported a 36 per cent rise in profits (after financial items) to SKr152m

(\$23.5m) in the first six months from SKr112m a year ago.

The group said it expected the trend to continue, giving rise to full-year profits which are "significantly better" than last year's figure of SKr205m.

Cost-cutting and restructuring measures played a large part in streamlining the group part in streamlining the group and increasing profits, accord-ing to Mr Kjell Johansson, group finance director. He added that the acquisi-

tion earlier this year of Sidero-termica, an Italian electrode company, had also helped boost profits. Group sales increased by 21

per cent to SKr2.318bn from SKr1.92bn, while order intake rose by 5 per cent to SKr2.177bn in the first six months.

to profit in the current year following the launch of its video system in the US. It also announced the establishment of a subsidiary to exploit the company's design and manufacturing know-how through co-operation with other companies. Mr Johansson said the mar-ket situation for welding prod-ucts had become more stable in the majority of industria-lised countries, and that there were signs of recovery in certain weak markets such as Spain.



### **PKBANKEN**

(incorporated in the Kingdom of Sweden) ¥5,000,000,000

Floating Rate Notes Due 1993

In accordance with the Terms and Conditions of the Notes, 

Agent Bank The Long-Term Credit Bank of Japan, Limited ALLIANCE LEICESTER

### **Alliance & Leicester Building Society**

Issue of

£200,000,000 Floating Rate Notes 1993

In accordance with the provisions of the Notes, notice is hereby given that, for the three month period 31st August, 1988 to 30th November, 1988, the Notes will bear interest at the rate of 12½ per cent, per annum. Coupon No. 11 will therefore be payable on 30th November, 1988 at £3,107.92 per coupon from Notes of £100,000 nominal and £155.40 per coupon from Notes of £5,000 nominal.

S.G. Warburg & Co. Ltd. Agent Bank

Nederlandsche

London.

Kredietbank S.A. Luxembourgeoise,

end Geneva. Deutsche Bank Aktiengesellschaft,

Dutsche Bank Aktiengesellschaft, Düsseldorf, Morgan Guaranty Trust Company of New York, N.Y. end J. Henry Schroder Wagg & Co. Ltd.

Copies of the financial data on the

### Ferfin shares open below expectation

MR RAUL GARDINI vesterday stock market into a sharp L11.000hn of borrowings had launched the stock market listing of his Ferruzzi Finanziaria holding company with a decla-ration that he wanted to make Italy's second largest private sector group a truly global

operation. Affirming that he was seek-ing a significant share of world markets in chemicals, agribusiness and financial services, the Ferruzzi president was in a triumphant mood after carrying forward a controversial and

By Halg Simonian in Frankfurt

Germany is to launch the country's first equity index fund. It will be set up in Lux-

embourg because such index funds are forbidden in Ger-

The CB German Index Fund

is designed for foreign institu-tions wanting to invest in German equities on a broad but cost-effective basis. It will

reverse at the end of January. Yesterday, initial interest in Forruzzi Finanziaria (Ferfin) was modest enough to price

tedison 64 per cent-owned sub-sidiary, iniziativa META, which consequently disappeared after a listing lasting 43 years. The exchange of 15 Fer-fin shares for 4 META implied

Commerzbank sets up index fund | B&O falls into

the sbares slightly below expectations at 12,833 (12). Ferfin's public quotation fol-lows its absorption of the Mon-

around 0.6. Montedison's debts, which were L7,800bn at the end of last year, would fall to around L2,000bn by the end of this. Mr Garofano said the group's aggregate net worth would be L11,000bn and its total debt no more than

complicated restructuring of his Ferruzzi and Montedison interests.

The initial announcement of the deal sent sent the Milan interests.

### The L3,800bn of debt being transferred to the 40 per cent Montedison-owned chemicals joint venture, Enimont, will not be consolidated into the company's balance sheet.

BANG & OLUFSEN, the Danish audio equipment and

television manufacturer, has fallen into the red for last year and will not pay a dividend.

The company has made a pre-tax loss of DKr16m (\$2.2m)

for the year ended May 1988 compared with a profit of DKr61m in the previous year,

while the net result went from

a surplus of DKr40m to a loss

of DKr10m. Sales increased by 3 per cent to DKr1.95bn.

The group expects to return

According to analysts, Commerzbank's own equity shows the closest correlation to the new DAX real-time index

The Commerzbank shares one of the index's 30 blue chip constituents, parallel the index most closely. By contrast, the correlation is lowest for shares According to the bank, the in RWE, the electric utility.

### the red and COMMERZBANK of West fund will represent some 85 per Germany is to launch the cent of the market capitalisaomits payout By Hilary Barnes in Copenhagen

launched at the start of July on the Frankfurt stock

bank equity index of 60 leading

reflect the existing Con

Notice to holders of C. ITOH FINANCE (EUROPE) PLC U.S. \$50,000,000 3%. Georgrissed Gold Linked Notes due 1988: Unconditionally guerranteed by C. IYOH & COMPANY (HONG KONG) LIMITED

Notice is hereby given that the redemption price for each Note on October 27, 1988 has been fixed at \$4,922.54 in accordance with condition 5(C), based on the London A.M. Gold Fixing Price on August 31, 1988. September 2, 1988, London By: Chibank, N.A., Fiscal and Paying Agent

**CITIBANKO** 



As from 12th September 1988 our new address will be

MITSUI TRUST INTERNATIONAL LIMITED

3rd Floor, Towergate 41 Tower Hill London EC3N 4DU

Telephone: Switchboard Dealing Investment Management Telex: 945831 MTINTL G Fax: 01-702 9857/8

01-702 1477 01-702 1466 01-702 3750/1

### HALIFAX BUILDING SOCIETY £150,000,000





The August 1985 -€ 50.02

### · · · · Notice of Redemption Sun Capital Corporation

10% Guaranteed Notes Due 1990 NOTICE IS HEREBY GIVEN that in accordance with Clause 16 of the Terms and Conditions of the Notes the Issuer will redeem all of the Notes at 101% of their principal amount (the "Redemprion Price") on the next interest payment date, 31st October, 1988, when interest on the Notes will cease to accrue. Payment of the Redemption Price will be made upon presentation and surrender of the Notes, with all unmatured coupons attached, at the offices of any of the Paying Agents listed below.

Bankers Trust Company Four Albany Street New York, New York 10015 (For Registered Notes Only)

Bankers Trust GmbH P.O. Box 2665 Bockenheimer Landstrasse 39 6000 Frankfurt am Main Banque Internationale

à Luxembourg 2 Boulevard Royal L-2953 Luxembourg Bankers Trust A.G. Dreikoenigstrasse 6 CH-8022 Zurich

Banque Indosuez Belgique S.A. rue des Colonies 40 B-1000 Brussels

Bankers Trust Company Dashwood House

69 Old Broad Street

London EC2P 2EE

Bankers Trust Company

12-14 Rond-Point

des Champs Elysées

75386 Peris, Cedex 08

Swiss Bank Corporation

I Aeschenvorstadt CH-4002 Basle

Accrued interest due 31st October, 1988 will be paid in the normal manner on or after that date against presentation of Coupon No. 3.

Bankers Trust Company, London 2nd September, 1988

# **IEGON** AEGON N.V. established at The Hague, The Netherlands.

NOTICE OF INTERIM DIVIDEND The Executive Board announces Middenstendsbank N.V., Pierson, Heldring & Pierson N.V., Bank Mees & Hope N.V., Kredietbank N.V., Brussels, that, with the approval of the Supervisory Board, en interim dividend of Dfls. 1.50 per Dfls. 5.00 ordinary shere vill be paid for the financial year 1988. Luxemburg, Schweizerischer Bankverein, Zürich bearer, coupon number 19 of their

securities will be payable at the payment offices of the banks ioned below with effect from 15th September 1988. For each Dfls, 5.00 ordinary share to bearer the interim dividend of Dits. 1.50 will be payable on the above mentioned coupon, less

Amsterdam-Rotterdam Bank N.V., first six months of 1983, published on Algemene Bank Nederland N.V., 31st August 1988, are available of the Cooperatieve Centrale offices of the banks mentioned above

The Hague.

end the undersigned. AEGON N.V. 31st August 1988



Class B-1 £11,000,000 Class B-2 Mortgage Backed Floating Rate Notes August 2023

For the interest period 3 1st August, 1988 to 30th November, 1988 the Class B-1 Notes will bear interest at 12.6375 per annum. Interest payable on 30th November, 1988 will amount to £3,142.11 per £100,000 Note. The Class B-2 Notes will bear interest at 12.8125 per annum. Interest payable on 30th November, Interest payable on 30th November 1988 will amount to £3,185,62 per

£100,000 Note. Agent Bank: Morgan Guaranty Trust Company of New York

RETAILING 19th September 1988

> Mark Jones on 01-248 8000 ext 3565 or write to him at: Bracken House 10 Cannon Street

London EC4P 4BY

For a full editorial synopsis and dverrisoners details, ploase contac

NOTICE TO HOLDERS

U.S.\$100,000,000 23/2 per cent. Bonds 1992 of MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD. (the "Bonds")

Bearer Warrants to subscribe up to ¥15,470,000,000 for Shares of Common Stock of MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD.

(the "Warrants") References are made to the Notice Concerning Merger dated 9th February,

1988 and the Notice of Completion of Merger dated 30th June, 1988. Neither the Bonds nor the Warrants will be stamped or exchanged as a result of the merger referred to in the Notices mentioned above and both the Bonds and the Warrants remain listed on the Luxembourg Stock Exchange under the former denomination of Matsushita Electric Trading Co., Ltd. followed by an indication of the new one, Matsushita Electric Industrial Co., Ltd.

Copies of Supplemental Trust Deed and Supplemental Instrument are available for inspection at the office of Banque Internationale à Luxembourg S. A. at 2 Boulevard Royal, Luxembourg.

Matsushita Electric Industrial Co., Ltd.

Dated: 2nd September, 1988

3 . . . . .

0.3

i will

### Sixfold rise for Western Mining

Australia's premier motals group, pushed not profits nearly six times higher in the year to June — to A\$242.2m (US\$194.6m) from A\$41.4m, on the back of the world commod-

Higher nickel and gold prices, an exchange gain and net interest receipts on the large cash balances held by the company for much of the year were the main contributors to the resurgeoco, and allowed Western Mining to apply some

Chase Corp in

after writedown

New Zealand investment com-

pany, incurred an attributable

loss in its year to June after taking a NZ\$109.5m (US\$67.3m)

operations for the current year following a post-crash restruc-

ture of its portfolio. Chase Cor-

poration plans to reopen its London office in order to inves-

tigate property opportunities. In Docember it accepted a £198.4m (US\$\$34.2m) Trafalgar

House bid for Chase Property

The group is paying a 10 cent total dividend, matching the payout for the previous 15

Despite the shorter period

covered by the latest accounts, revenues doubled to NZ\$2.99bn

from NZ\$1.41bn, Pre-tax profits

were just 10 per cent lower at NZ\$124.1m, but after losses

from associates and the

extraordinary charge, the bot-tom line emerged NZ\$31.7m in

NZ\$133.8m not profits.

red, compared with

Chase Corporation said it

bad written down short-term equity investments to market value.

Holdings, its UK arm.

By Our Financial Staff

the red

brutal accounting treatment to special charges.

The main components of these are a A\$61.8m write-off of the assets of Canadian-based Seabright Resources, acquired during the year, and a A\$138.9m goodwill write-off on acquisition of a controlling stake in Hill 50 Gold Mines.

Abnormal and extraordinary

losses thus totalled A\$153.3m compared with profits of A\$149.9m previously, producing earnings available to shareholders of A\$205.7m compared

with A\$233.4m. But the annual divideod is boosted to 23 cents a share from 10 cents, costing the company A\$193.6m against A\$56.2m.

Directors said gold sales jumped to 457,264 oz from 358,000 oz while the price received was just under 2 per cent higher at A\$629 per oz. They indicated that the real benefit had come in nickel, where US dollar prices received jumped by 90 per cent, although tonnage sales eased by 2 per cent.

Exchange gaios added A\$41.6m to the result, compared with a A\$7.1m loss in the previous year and the company logged net interest receipts of A\$30.1m against payments last year of A\$16.5m.

Under the company's pre-ferred equity accounting approach, earnings rose to A\$359m from A\$33.5m following a boost to A\$116.8m from A\$42.1m in the equity contributioo, mainly reflecting a higher result from Alcoa of Australia, the aluminium group.

### Amcor keeps up strong growth

By Our Sydney Correspondent

AMCOR, the Australian paper and packaging group, showed a 26.3 per cent rise in equity-ac-counted net profits to A\$137.2m CHASE CORPORATION, the (US\$110.2m) in the year to June from A\$108.6m - the fourth consecutive year in which earnings have risen by more than a fifth. writedown on its equity and property holdings. It forecast growth in all its

Sharebolders are being rewarded with a dividend rise to 23.5 cents a share from 21 cents and a one-for-10 bonus issue, with the directors confident that the dividend will be at least maintained on the increased capital.

They said the profits increase was spread across the group's operations, with associates Mayne Nickless and the local Kimberly-Clark unit also

contributing strongly.

The Australian Paper Manufacturers division lifted profits by 17 per cent pre-tax. Export pulp sales value increased by over 40 per cent with new mar-kets being opened in South Korea, Taiwan, Indonesia and India," Amcor said. "The impe-tus of growth in this division will be enhanced by additional projects coming on stream dur-ing 1988-89."

Group sales rose 11.7 per cent to A\$2.9bn.

• Elders Resources NZFP (ERN) is to sell its 28 Austra-lian Benchmark timber and hardware retail ontlets to Burns Philp, the Australian trading company, and will put into a joint venture with Burns its 47 Benchmark outlets in New Zealand, Reuter reports from Wellington.

The transaction will release more than NZ\$100m (US\$61.5m) to ERN, which is "reposition ing" non-core assets.

### Canon first-half profits sharply ahead

By lan Rodger in Tokyo

FIRST-HALF consolidated profits of Canon, the Japanese camera and office equipment maker, grew even faster than the parent company results published two weeks ago.

Consolidated net incomo at Y15.9bn (\$116.5m) was 3.6 times higher than in the first six months of 1987. Parent com-pany net income was ahead 2.7

Early in August, Canon resorted to the unusual tactic of publishing a forecast of the big improvement in its profits, so as to forestall any possible insider trading incidents in advance of the publication of the actual results.

Consolidated operating income was up 163.2 per cent to Y38.7bn on sales of Y521.6n, up only 14 per cent. Canon attributed the dramstic improvement mainly to the success of its cost cutting efforts and to the strong business machines sales.

Canon said business machino sales rose 18.9 per cent to Y411.5bn, with copiers, laser beam printers and facsim-ile transceivers being the best performers. Camera sales were down 7.1 per cent to Y75.1bn.

### Setback for Westfield

Australia's largest shopping cial Staff, centre operator, suffered from a fall-off in contributions from idend to 7. year to June, leaving equity-ac-counted net profits 31.8 per cent lower at Accounted to Accounted the profits a share from 5.63 cents. Pre-tax profits rose associates brought in the profits associates brought in the profits rose as a share from the profits rose a

However, it is lifting the div-

Holdings, the UK financial ser- ity holding in the foreign

### UK firm in Tokyo move

INTERNATIONAL CITY vices firm specialising in money and securities broking, said yesterday it was negotia-ting for a stake in a Tokyo foreign exchange broker, writes Stephen Fidler.

It is in talks to take a minorexchange broking subsidiary of Yamane Tanshi, a firm specialising in Japanese short-term market operations. Details are not yet finalised.

These securities have been sold outside the United States of America and Japan. This announcement

**NEW ISSUE** 

1st September, 1988

### KINKI NIPPON RAILWAY CO., LTD.



U.S.\$200,000,000

5% per cent. Bonds due 1993

with Warrants

to subscribe for shares of common stock of

Kinki Nippon Railway Co., Ltd.

Issue Price 100 per cent.

**Nomura International Limited** 

Mitsubishi Finance International Limited

Mitsubishi Trust International Limited

Daiwa Bank (Capital Management) Limited The Nikko Securities Co., (Europe) Ltd. **Banque Indosuez** Barclays de Zoete Wedd Limited Robert Fleming & Co. Limited **Kleinwort Benson Limited Manufacturers Hanover Limited** New Japan Securities Europe Limited Salomon Brothers International Limited J. Henry Schroder Wagg & Co. Limited

**Daiwa Europe Limited** Sanwa International Limited Banque Paribas Capital Markets Limited Cosmo Securities (Europe) Limited IBJ International Limited **KOKUSAI** Europe Limited Morgan Stanley International Nippon Credit International Limited SBCI Swiss Bank Corporation Shearson Lehman Hutton International

Sumitomo Trust International Limited Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited

### Drexel launches US fund in Europe

By Our Euromarkets Staff DREXEL BURNHAM Lambert pioneer of the "junk hond" market, yesterday launched a fund which will allow European investors for the first time to invest directly in

high yield US bonds. The fund, Prospect Interna-tional High Income Portfolio, will be managed by the Massa-chusetts-based Prospect Management Investment. Since the parent company is based in the Netherlands Antilies, US withholding tax will not be dedocted from interest and

dividend payments.

Drexel, which has recently come under fire in the US for allowing its employees to buy up portions of junk bonds it underwrites, said it will have no equity interest in the new

However, a Drevel official, noting that the firm has ceased purchases of its own underwritten offerings, said that diversification requirements make it likely that the bond fund will purchase secu-rities that Drexel has under-Capital for the fund consists

capital for the fund consists of \$105m of equity and \$70m in two separate tranches of debt securities, intended to carry the top AAA-rating from the main US rating agencies.

Both tranches of debt carry unconditional guarantees of interest and principal from Financial Security Assurance, a US-based provider of finan-cial guarantee insurance. Its own securities carry a AAA credit weighting.

The market value of the bonds will be assessed bi-weekly, so that if the value of the portfolio falls below the minimum overcollateralisation level or no longer meets AAArating criteria, essets must be sold and replaced with appro-priate debt securities.

Over the past month, Drexel has sold 10.5m shares in the fund, raising the \$105m, and yesterday lannched the issue of dobt. The shares will be listed in Amsterdam.

The \$40m fixed-rate tranche of debt has a 10-year maturity but has a put option in 1991.
Interest until the put is 10.08
per cent, priced to yield 97
hasis points over Treasuries.
The \$30m tranche, due 1998,
pays interest at 30 basis points

. Thera, is an additional option for Drexel to under-write a further 7.5m shares nd issue \$52.5m more in debt securities.

Last month Drexel emerger

with the first European high-yield bond fund, First Britan-nia. Denominated in sterling, this fund is intended for investment in UK and European high-yield bonds.

### FAI Insurances lifts net earnings 51% By Our Sydney Correspondent

FAI INSURANCES, Australia's biggest general insurer and one of the country's most aggressive equity investors, yesterday declared a 50.8 per cent rise in net earnings to A\$171.1m (US\$137.5m) for its year to June from A\$113.4m in the previous year, emerging unscathed from the October stock markets crash. In a report which gave a

minimum of information, Mr Larry Adler, the chairman, indicated that FAI continued to be one of the few general insurers to earn an underwrit-ing profit, which rose mod-estly to A\$6.9m from A\$5.7m. But as usual, investment

But as usual, investment earnings were the group's mainstay, ahead 111 per cent to A\$306.5m. The result suggests that most of the investment profits were earned in the first half, when FAI disclosed a 75 per cent increase in net profits to A\$123m.

That reflected the realisation of many of FAI's shareholding positions in the few weeks before the crash. Mr Adler managed to extricate the group from positions in Hill Samuel of the UK and Pioneer Concrete and Ampol at home, netting a total of A\$325m.

The main second-half profit

netting a total of A\$325m.

The main second-half profit spinners would have been FAI's foray into the complex Cumberland Credit takeover battle and exercise of e put option over the troubled Renouf group of New Zealand.

FAI has raised its annual divided to a centra a share FAI has raised its annual dividend to 8 cents a share from 6 cents, which Mr Adler said would be fully franked under Australian tax law and covered 9.67 times by earnings. The directors, he said, "riew the continuing growth of the group with great confidence."

Mr Adler said premium income net of reinsurance rose to A\$466.5m from A\$446.7m and provision for outstanding claims was up 36 per cent to A\$561.8m. Tax took A\$141.4m, gainst just A\$34.9m.

### Trading muted as dealers wait for key US data

TRADING IN dollar Eurobonds was muted yesterday as inves-tors awaited the next barrage of key economic data out of the

US.
Today, the Labor Department releases employment data for August, which may provide enough evidence of a

provide enough evidence of a further tightening in labour markets to provoke the Federal Reserve into crimping the availability of credit.

The dollar's ascent against the yen was halted as Japanese officials attempted to assuage market fears that they would sit by and allow their currency to slide. However, it remained unclear how far the yen must slide before Japanese interest rates are raised to protect the currency. currency.
Meanwhile, dollar stability

was sufficient to allow the launch of two new issues.
Tokyo Electric Power issued a five-year Eurohond with a 9% per cent coupon. The deal, lead managed by County Nat-West Securities, is priced at 101% to yield 57 basis points over Treasuries. Proceeds were

swapped into fixed-rate yen, with the swap window still effectively closed for borrowers wishing to swap into floating rate dollars.

The issue closed at a disount of 1%, at its full fees, although earlier in the day it was quoted at less 1% per cent. County NatWest said it placed about half the deal in Japan, some of it into the sort of trad-

ing accounts that can be expected to provide liquidity over the life of the bond. Still, enthusiasm for the deal was limited with traders point-ing out that the securities are unrated. The borrower last . came to the Euromarkets in

Xerox Credit issued a \$200m two-year issue with a 9% per cent coupon and priced at 101.10 to yield 50 basis points over Treasuries. Lead manager Goldman Sachs International said the bonds closed at less 1% per cent, at their fees, but dealers said it was seen on a

broker's screen at less 1% per

The deal met a lukewarm The deal met a lukewarm response from traders who noted that existing issues for the borrower are offering 65 basis points over Treasuries. Also, with a A-2/A plus credit rating, 50 basis points is deemed to be somewhat tight. Some griped about the ½ per cent praecipuum, a fee which is skimmed from co-managers fees and accrues to the lead

### INTERNATIONAL BONDS

manager. A 10 basis point pruscipuum is considered more appropriate for a two-year

Salomon Brothers lead managed a £200m mortgage-backed floating rate note for TMC No 10. The securities, which have an average life of 7.2 years, pay interest at 30 basis points over three-month London interbank offered rates (Libor), down from a spread of 32.5 basis points on the borrowers most

recent issues.

The World Bank issued a The World Bank issued a L100bm five-year Eurobond with a coupon of 11 per cent and priced at 101%. Joint-lead managers were Banca Commerciale Ralisma and Banque Parthas Capital Markets, which were quoting the deal at less its 1% per cent fees. The proceeds were said to have been swapped into floating rate dollars.

In West Germany, the Bund-osbank allocated DM26.5bn through a repurchase agree-ment, more than replacing a DM24.2 billion repurchase agreement which expired yes-terday. The additional liquidity was well received by the mar-ket which sent prices up about 15 basis points on average. In the foreign D-Mark bond market, prices were steady to a touch firmer, with investor

interest noted returning to 30-National Bank of Hungary

issued a DM200m seven-year issued a DM200m seven-year bond, intended to become fungible with an existing issue after the value date later this month. The bonds carry a 6% per cent coupon and are priced at 97. Lead manager DG Bank quoted the bonds just inside their 2% per cent fees although other dealers quoted the issue slightly outside fees at less 2% per cent. At the lower price level, the issue yields 7% per cent, making it more attractive than the first tranche which yields around seven per cant.

yields around seven per cent. Electric Power Development
Co issued a seven year 6 per
cent DM120m bond which carries a guarantee of the Japanese government. The bonds are priced at 101% and were load-managed by West-Deutsche Landesbank.

Ireland privately placed a SFr100m six-year issue carrying a 4% per cent coupon and priced at par. Lead manager Banque Paribas (Sulsse) said the issue is trading at less 1% offered, with other dealers saying it was bid at less 1% to less

In Switzerland, the rate on three to eight-year cash bonds was increased by % per cent, but the move was widely anticipated and had no impact on

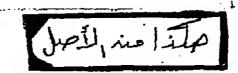
• The French Government yesterday sold FFr5.1bn of bonds at its first monthly auction since the recent round of European interest rate rises, which the Bank of France was forced to join, writes George Graham in Paris.

Most of the auction was devoted to the floating-rate OAT TRB 1993, indexed on the ented at an average margin of 9 basis points above the bill auction, considerably tighter than at the last auction of this bond two months ago and tighter also than recent margins in the secondary market.

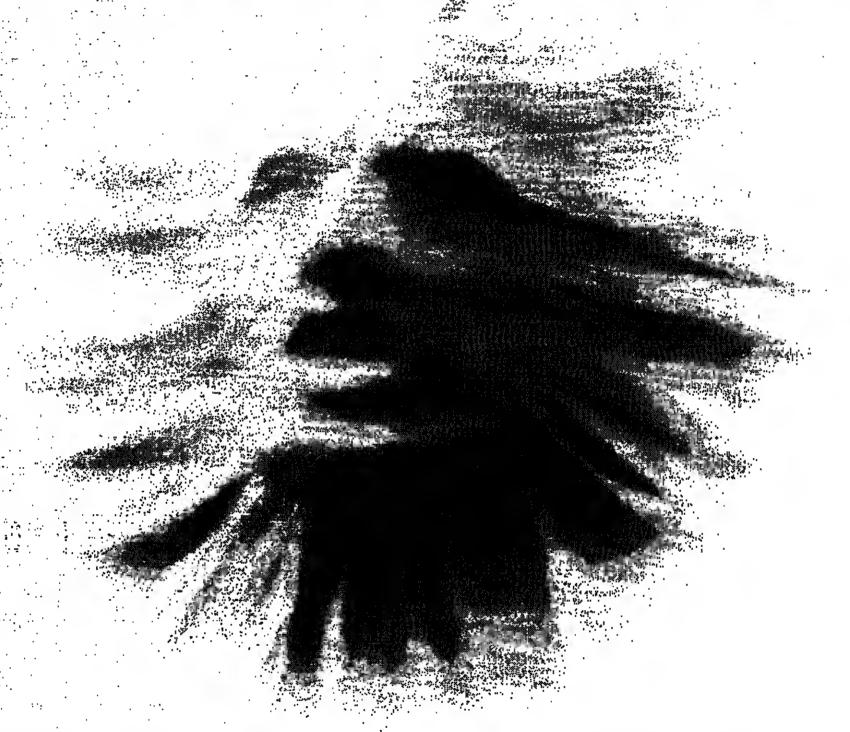
### FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Interest until the put is 10.03 per cent, priced to yield 97 hasis points over Treasuries.

The \$30m tranche, due 1998, pays interest at 30 basis points over one-month London interbank offered rates and has a put of the put of the



# IF CUSTOMERS COULD LALK



When it comes to technology, customers have not had the chance to say much.

After all, what they are getting is leading edge; it's state-of-the-art.

It is as good as it comes.

Customer acceptance, then, is believed to be an open and shut case.

Unfortunately, the process involving the end-user with product development often becomes more shut than open.

### The need for an Open Process

Ever since there has been more than one computer manufacturer there's been more than one operating system.

Fair enough.
You can't choose the best
system until you have a choice.
In fact, most of us have made
several choices. A different system
for a different application.

What is needed now is a truly open operating system.
Industry-wide. Worldwide.
Allowing immediate access and flow of information, regardless of computer architecture.

Such an open environment, however, cannot be developed in the isolation of a single vendor's lab. It has to involve as many vendors as possible.

ndors as possible.

And, it has to involve you.

### How in the World can this be done?

Creating a worldwide standard open operating system requires worldwide resources.

Some of the world's biggest names in computer technology have committed to this venture. They have formed Open

Software Foundation.
Their task, though, is not to create yet another computer system, but to provide the forum for the Open Process.

The rest is up to us.

# It takes an "Open Environment" to make one

OSF will issue Requests for Technology for the industry in general,

All responses are welcome, from members and non-members alike.

The OSF members, made up of users, vendors, standards bodies, the academic community and government agencies will review proposals based on the industry input.

Initial offering specifications will

Initial offering specifications will be produced for our membership to evaluate. And debate.

The open environment technology selected will be based on open dialogue and free exchange of ideas.

The result will be the establishment of an environment that will work for everyone.

### We're looking for Open Minds

You can help shape the future of the computer industry as well as get a head start on your own Information Technology strategy by participating with us.

Further, you can ensure the next generation of operating systems are appropriate to real, business applications: your own. Customers obviously can talk.

Now they have a chance to be heard.
To find out how you can join us
call us on (32 2) 640 04 95,
or write to us at 475 Avenue Louise,
1050 Brussels, Belgium.

OPEN SOFTWARE FOUNDATION

from under 4 per cent in the first half of 1987, to 8.4 per cent. When acquiring JWT it

cent. When acquiring JWT it had suggested that a 10 per cent margin should he achieved within a four-year period. It says this objective should be met hy 1989.

It also says that Hill and Knowlton achieved a "significant turnround" in the first half. After an operating loss of \$4m in 1986 and break-even in 1987, there was a \$3m pre-tax profit in the first half.

Of the other JWT subsidiaries, MRB Group was "on budget." Lord, Geller, Federico, Einstein — the substantially smaller New York ad agency

smaller New York ad agency which saw key executive defec-

tions earlier this year - came in under hndget hnt in the

management's impressive per-formance in pulling the com-pany out of the mire in which it found itself five years ago. Yet it seems unlikely to be

improved until Blackwood

announces a major acquisition

in the UK. Only then can it make full use of its tax losses and unrelieved ACT — which will give a kick to profits and allow it to boost its dividend

yield, now standing at less than 4 per cent. The snag is that a sizeable UK acquisition

with profits of at least £5m
 will not come easily, if Blackwood's fruitless search of

the past 18 months is anything to go by, it has to contend with its lowly rating and high gear-ing (over 50 per cent) and fur-

thermore its dominant position

in its field means that it must spread its net beyond its exist-ing expertise. When it does succeed however, shareholders'

Kalon back

with £1.15m

KALON GROUP, which plunged into the red last year because of stock losses, bad

debts and management prob-lems, yesterday reported a return to profitability.

The West Yorkshire-based paints and chemicals company announced pre-tax profits for the six months to July 2 of £1.15m. This compares with a £556,000 profit for the first half of 1987 but a £1.45m loss for the complete year.

half of 1987 but a £1.45m loss for the complete year.

Earnings rose to 0.61p (0.31p) and the interim dividend is 0.3p (nil).

"We have turned the corner," said Mr Mike Hennessy, group managing director. "We have a lot more stability, we have reduced stocks and improved debt collection."

The company has made a number of disposals in the last

number of disposals in the last six months, returning to its three core businesses of deco-

rative paints, industrial coatings and chemicals.
The £14m cash from the dis-

posals has been used to reduce borrowings and gearing has dropped from 100 per cent a year ago to 35 per cent now. "We hope to reach 30 per cent by the year-end," said Mr Hen-

Turnover rose from £42.59m to £46.06m.

The new management at Kalon has made sound prog-ress on the road to recovery. It

has sold costly peripheral activities and returned to its

• COMMENT

in black

By Flona Thompson

**Enlarged WPP beats City hopes** 

with £16.2m in the first half

group overall had increased

from 5.3 per cent a year ago, to 8.9 per cent at end-June. At the

last calender year-end, it put the figure at 7.5 per cent. WPP attributes much of the margin improvement to higher

naw husiness levels and greater operating efficiencies at J Walter Thompson, tha Madison Avenue-based adver-

tising company, and public relations group, Hill and Knowlton. Both were previ-

ously part of JWT.

Although, WPP does not break out the contribution for the JWT subsidiaries individu-

ally, Mr Martin Sorrell, WPP's chief executive, said yesterday that overall they had all made

pre-interest profits of ahout

\$30m in the first half compared with just under \$13m last time.

WPP adds that the pre-tax margin at JWT has improved

### BBA reduces heavy borrowings

by raising £12,2m through disposals BBA GROUP, motor components and industrial materials company, yesterday said it was making a number of disposals in an effort to tackle the beavy borrowings burden it was left with following the take-over of Guthrie Corporation earlier this year. Yesterday's sales raised £12.2m, reducing BBA's gearing from 100 per cent at the end of June to between 85 and 90 per cent. Guthrie's Australian towelling and carpets businesses have been sold to their management for £7.1m, while various Guthrie

Meanwhile, BBA is raising £1.1m through the sale of Stirling-based Scandura Industrial Ruhber.

Mr Ray Mitchell, BBA spokesman, yesterday said the company

remained committed to reducing group horrowings "hy hook or

Last month, the company announced the sale for £2.5m of a £12m option over its Auto Safety centres to Shall (UK), and in July it said it had sold its part of its site in Cleckheaton, West Yorkshire, to supermarket concern Asda.

**DIVIDENDS ANNOUNCED** 

0.3 2.5 0.9

0.66† 2 5.4†

not everlable as to whether the are interims ar finals and the sub-shown below are based mainly on

TODAY

me- Black (A & C), More O'Ferrall, Por-

Dividends shown pence per shere net except where otherwise stated

'Equivalent after allowing for scrip issue, fon capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ¢Third market.

**BOARD MEETINGS** 

payment

### **B&C** offshoot sale

British & Commonwealth Holdings, financial services group, is negotiating to sell its Milestone Leasing subsidiary to Woodchester Investments, acquisitive Irish-based leasing. in which B&C has a 56 per cent

If the disposal proceeds, B&C will have put all its leasing interests into Woodchester, with the exception of Atlantic Computers, computer leasing company, which B&C agreed to buy in July for £407m.

B&C owns or has received acceptances for 93.1 per cent of
 General Utilities now holds £1.74m of voting stock.

Assoc-Henriques .....int 

Cundett Group Grafton Grp .....int Home C'ties News....int

Atlantic's share capital. The offer is unconditional in all respects and remains open until September 14. The loan stock and cash alternative will remain open until that date but the mix and match election has closed.

### **Bristol Waterworks**

Following an application in the offer for sale by Bristol Waterworks, General Utilities, a wholly-owned subsidiary of Compagnie Generale des Eaux, has been allotted £576,415 4.9 per cent new ordinary.

Total for

Total last year

Bla	ackv	wood a	ady	anc	es	to	£4.	8m
on	the	back	of	US	ac	qu	isit	ion

By Vanessa Houlder

WPP, the advertising and

marketing services group which a year ago won an amhitious £351m bid for the New York-based JWT Group, yesterday bettered City expectations with first-half profits of £16.2m before tax. The result is scored from turnous of £555 7m

Tha figure compares with just £3.3m in the first six

months of 1987, before JWT became part of the group. It also takes in first time contri-

also takes in first time contri-hutions from six smaller "infill" acquisitions. At the earnings per share level, there is a 50 per cent increase to 22.5p. The shares, however, fell 21p to 577p — having strength-ened ahead of the figures. Yesterday, WPP said that the organic growth from the origi-

organic growth from the origi-nal marketing services husi-nesses topped 20 per cent, and thet operating margins for the

from turnover of £256.7m.

EXPANSION IN the US helped Blackwood Hodge, the world's largest distributor of earthmoving equipment, increase pre-tax profits by 36 per cent from £3.58m to £4.79m for the first six months of 1988. Turn-over rose by 39 per cent from £138.3m to £192.9m.

The company said that acquisitions, particularly in the US, had improved the quality of earnings and given a more soundly based interna-tional spread of activities. The results included contributions for three months from ACSAS in Australia and for two months from the Ferguson Supply business in Canada. In an effort to reduce its perging, the company is seat

gearing, the company is seeking approval to place, at an appropriate time, £15m of cumulative redeemable preference shares. Turnover in Canada

increased by 19.4 per cent to £48.8m, despite a strike in the construction industry in Ontario.

In the US, where turnover trebled to £54.5m (£18.1m) as a result of acquisitions, market share and prices of Japanese equipment came under competitive pressure. However, Mr Ken Scobie, managing director, said this would be a short-term

In the UK, turnover increased by 5 per cent to 237.1m. The company benefited from the boom in the construc-tion industry although it was hampered by the weakness in its product range.

In Australia, where turnover rose by 21 per cent to £26.6m, trading is currently at satisfac-tory levels. In Africa, where sales expanded by 22.8 per cent to £12.4m, the group continues to participate in world bank and other financing programmes and expects to see an increase in husiness in the sec-

Earnings per share increased by 19 per cent to 2.19p (1.84p). The interim dividend was increased from 0.55p to 0.6p.

### • COMMENT

In a miserable market, any news is bad news and Black-wood Hodge's reward for these robust results was to see 3%p patience is likely to be well rewarded.

interest in the Charles Barker IBM, the agency's key cus-tomer, however, is currently See Lex Yale agm yawns as Davis grills Montague lopped off its share price. At 47%p, the shares are on a rating of less than 7, assuming it makes profits of £15m in the full year. That, on the face of it, does not do justice to the management, improcessive personal of the programment.

By Clay Harris

TWO OLD pals raked over the coals of a former friendship yesterday before the shareholders of Yale and

reviewing its account and a

decision is expected very shortly. The injunctions against the new rival agency set up by the defectors are still outstanding. The court's ruling is also expected fairly shortly.

WPP says it intends to pur-sue its claim for damages against the defectors, and their financial backer, Young & Rub-

WPP also says that the JWT acquisition debt of \$260m will

be reduced to \$100m following the sale of the Tokyo freehold and the payment of tax on the

The tax charge is £7.69m, against £1.44m, and the dividend is up from 1.5p to 5.4p. Yesterday, WPP declined to comment on its rumoured bid

Mr Michael Montague, chairman of the locks and household appliances group, found himself interrogated for more than an hour hy Mr Norman Davis, a friend for 30 years and director of the company for nearly 20.

The confrontation — which

passed off with good humour

— had been on the cards since
Mr Davis left Yale and Valor in May after a row which has not yet been fully explained. He had forced the postponement of the annual meeting because of the late posting of some notices.

It overshadowed, for one day at least, the takeover speculation which has dogged Yale and Valor in recent months. After "friendly meetings" with the chairmen of Williams Holdings and Ingersoll-Rand, which hold just less than 4 per cent and 3 per cent respectively, Mr Montague said there was no indication that either was

anything other than an

Mr Davis eventually withdrew a motion calling for the strengthening of the board after Mr Montague agreed that there would be "additions to the board of extremely capable

directors".

To underline his views about the board's financial expertise, Mr. Davis spent more than an hour asking a series of largely technical questions about the 1987-88 accounts. Long before he finished, other shareholders

were getting restless. Mr Montague played fair and played to his audience.
 Norman feels bitterly –
 there's no doubt about that. It's in the best interest of this company for him to get this off his chest."

So Mr Davis ploughed on, despite mutterings around him and Mr Montague's pertinent remark at one point: "So that's the purpose of your question: has it been handled differently from the way Norman handled

it in the past?" Nevertheless, he succeeded in winning Mr Montague'a admission that he had erred in a statement last year about a political contribution. Moreover, the company was prompted to admit, it had made "several million pounds" of specific provisions relating to last year's US acquisitions. And, yes, Mr Montague said, it was Mr Davis who came up with the scheme to shelter US profits through carried forward

tax losses.
"When it comes to fiddling "When it comes to fiddling tax — if that is the right way to put it — I bow to your superior knowledge in these metters," Mr Montague said, "You've been very useful to me on personal tax matters." In an aside to shareholders, he added: "If any of yon has tax problems, go to Norman." Later he added, after one especially abstruse exchange: "Im not an accountant — and after what I've heard, f say that with some pride."

Mr Davis alone voted against the re-election of Mr Tony

the re-election of Mr Tony Marson, his successor as finance director, and abstained on the vote to approve the

After the meeting, Mr Davis Acter the meeting, ar Davis declined to pose for a photograph shaking hands with Mr Montague. That, he said, would have to wait until the promises were fulfilled to his satisfaction.

# activities and returned to its core businesses, cut down substantially on working capital and imposed a much needed strict financial discipline. Because of the lack of financial controls, the company had not passed on to its customers increased raw materials costs and had been carrying too much stock. With the implementation of the tighter regime, profits should move ahead for the market leader in the supply of own label paints to all the big DIY home improvement groups. Analysts are looking for a little more than £3m for the full year, putting the shares on a prospective p/e of 18, a touch expensive. Acquisition for First Technology

and equipment for the secu-rity, fire detection and protection markets is to acquire Anglo Swedish Group, a UK

First Technology, design consultancy group spe-manufacturer of safety systems cialising in automotive engicialising in automotive engineering. The purchase will be funded via a one for two rights issue at 325p to raise £14.7m.

### City predicts Racal will fall short of its targeted valuation

SEVERAL CITY institutions said yesterday that the recent decline in the stock market would make it difficult for Racal to achieve a value of £1.75bn or more for the flotation of its telecommunications

subsidiary.

The strength of City opinion may make it difficult for the UK electronics company to continue with its plan to float Racal Telecom, with its flag-ship Vodafone, the mobile phone operator. Racal will not be abla to go ahead with the floation on it originally flotation as it originally intended unless Racal Telecom can be valued at £1.75bn or

An informal poll of seven institutional investors and stockbrokers found only one which felt that this sort of figure was achievable. Racal said it was still planning to go ahead with the flota-tion in mid-October, but admit-

ted that it would depend on market circumstances.
The need to achieve a valuation of more than £1.75hn stems from Racal's wish to sell only 20 per cent of Racal Tele-com. The Stock Exchange normally insists that at least 25 per cent of a subsidiary is floated, but has agreed to make an exception in this case provided more than £350m in

equity is sold.

The City institutions were polled on a day that Racal's share price fell 10.5p to 293.5p, valuing the whole group at £1.9bn and implying a value for Racal Telecom of only £1.1hn to £1.2bn.

In these (market) condi-tions, I would have thought they would be at the limit of their ingennity to achieve £1.75hn," said Mr Martin Mabot, an analyst at Morgan

Grenfell.

Ms Nicola Thomas, a fund manager at Schrodars, said:
"Even at £1.6bn, we would not be wildly keen on it."

Another institution, which did not wish to be named, said

Racal did not have a "cat's chance" of getting £1.75bn.
Piers Whitehead, an analyst at Robert Fleming Securities, argusd that Racal's best transfer of the securities. chance was to sell the issue in the US, where mobile tele-phone businesses have high values. "If 1 was a UK fund manager and this was solely a UK issue, I would not dream of paying the sums Racal is talking about." Only Mr Neil Dunford, a

fund manager at Morgan Gren-fell, was reasonably optimistic. "I think it is a do-able thing."

### Meggitt rises and buys Microsystems for £34.4m

MEGGITT HOLDINGS. specialist engineering group, yesterday announced an agreed hid for Microsystems Group, a USM-quoted elec-tronic products company, for £34.4m in shares and cash.

At the same time, it announced a 27 per cent increase in pre-tax profits to £8.63m (£6.81m) for the first half of 1988. Earnings per share increased by almost 10 per cent to 4.5p. An interim dividend of 0.9p, up 20 per cent, was announced.

Mr Ken Coates, Meggitt man aging director, described Microsystems as an exception-ally good fit. He added that the acquisition fitted the company's plan to expand its industrial activities to counter the possible weakening in the defence market in 1989.

factures and markets products - from bus-ticketing machines to fuel monitoring and industrial leak detection equipment. The two founders of Micro-systems, Mr Roger Harding and Mr Mike Jackson, who between them own 52 per cent of the share capital, have accepted the offer. They will stay with the company for a limited period.

Microsystems suffered a fall in pre-tax profits from £1.8m to £1.75m for the six months to April 30 on turnover of £12.8m (£7m). The decline was blamed on a delay in a £2m bus-ticket-ing system contract. Brokers expect the company to make pre-tax profits of £4m (£4.1m)

ich u

arget R

te for g

.

for the full year. The offer values each Microsystems share at about 240p a 13 per cent premium to yes-terday's price. The terms of the offer are six new Meggitt shares plus £2.60 in cash for every five Microsystems

Following the announcement, Microsystems' shares rose 19p to 232p before falling back to 225p. Meggitt'a share price fell from 97p to 92p.

**Q COMMENT** 

Not all analysts were overjoyed by these results. Even considering the rise in the tax charge, earnings growth seemed somewhat lacklustre and the weakening defence market may suggest that Meg-gitt's performance will not pick up in the year ahead. That said, there were few quibbles about Meggitt's latest acquisition. Microsystems has a clutch of sophisticated hightech products that should benefit from Meggitt's marketing network and its greater financial clont. The price paid is unlikely to dilute earnings and although Microsystema is going through a dull patch this year, there seems no reason why it should not revert to its strong growth path in the next.
Profits for the full year for the
group as a whole should reach
£21in, which puts the shares on an undemanding multiple of 8.5.

### Cookson in £8m US expansion By Clare Pearson

pany, is strengthening its posi-tion as a printing industry sup-

executive, said that Cookson pany, is strengthening its position as a printing industry supplier by taking over Anchor/
Lith-Kem-Ko, Florida-hased press room chemicals group, for \$13.55m (£3m).

Cookson also extended its £24.7m contested offer for Wolstenholme Rink, lithographic materials group, until September 13, Cookson owns, or has received acceptances in respect executive, said that Cookson would hope to increase Anchor's penetration of the European market, where it currently makes about 20 per cent of its sales. Anchor made pretax profits of \$1.55m on sales of \$11.6m in the year to June 30.

Wolstenholme shares, valued at 397p on the basis of Cookson works, or has received acceptances in respect

### J. Dewhirst Holdings p.l.c.

**Clothing Manufacturers** 

**GROUP INTERIM RESULTS** 

	(unau	idited)	
- ", "	26 weeks	26 weeks	52 weeks
· .	ended	ended	ended
	15th July	17th July	15th Jan
•	1988	1987	1986
	£'000s	£000s	£'000s
95	40,985	35,003	80,264
filt before Taxation	3,222	2,807	6,502
mated Taxation	1,095	954	2,211
fit after Taxation	2,127	1,853	- 4,291
Mings per Ordinary Share	2 16n	1 Q4n	A ARO

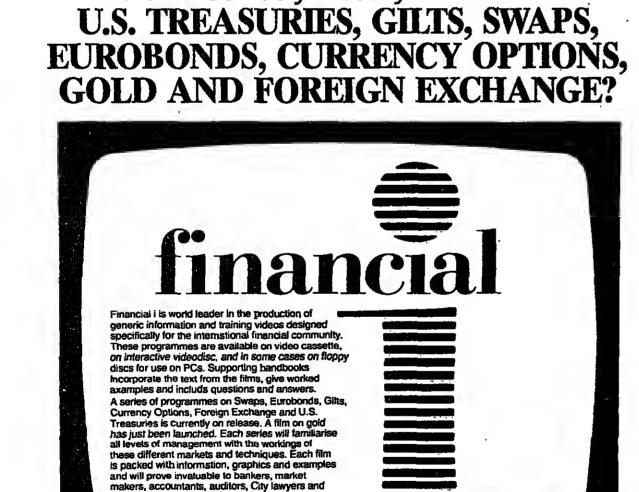
I am pleased to be able to report further progress in both sales and profits in the first half of the current year. Sales have increased by 17.1% and trading profits by 22.3%. However, as had been expected, net interest received has reduced. This has primarily bean caused by the need to hold higher stock levels. Profit before textation has therefore increased by 14.8%.

The Directors have declared an Interim Dividend to be paid on 18th November 1988 of 0.27p per Share, which compares with 0.24p per Share and represents an increase of 12.5%.

On 1st July 1988 we announced the setting up of a Joint Venture in Hong Kong with Eiders International Limited, a member of the Eiders IXL Limited Group, to be known as Dewhirst Eiders Limited. The new company is enabling Dewhirst International to expand its operation overseas to source selected goods of high quality and innovation which cannot be produced competitively in the UK. Our path shead is clear. We will continue to develop product ranges of quality and value in line with the needs of our customers. We will also continue our expansion both organically and by acquisition.

As announced at our Annual General Meeting in June, Mr. H. Anthony Vice will take over as Chairman on the 23rd November 1988 for a period of three years. The business has been my life and after thirty three years as Chairman the time is now right to hand over to the next generation. I do so with confidence and every good wish for the continued expansion and success of the Company.

Alistair J. Dewhirst Chairman



How much do you really know about

Users of Financial i's information and training programmes include:

OSCIS OI FIREIRCERT IS INFORMATION And IFRAINING PROGRAMMES INCLUDE:

AP Dow Jones • Aregon International • Asian Development Bank • Australia & New Zealand Banking Group • Autophon Switzerland • Bank of America • Bank of America • Bank of Indiges Integraphenal • Bank of Montreal • Bank of Montreal • Bank of Montreal • Bank of Nova Scote • Bank of Indiversational • Bank of Tokyo International • Bank of Company • Banques National Operation • Capcel Mantreal • Bank of Company • Banques National • Bank of Company • Banques National • Company • Banques National • Company • Cardel Lyoundal • Company • Company • Cardel Lyoundal • Company • Company • Cardel Lyoundal • Company • Domitted • Downte Associated Ltd. • EBC Armo Bank • Euret & Whatmay • Euro-clear • Europe International • Pirst Negional Bank of Chicago • Full International Finance Ltd. • Futton Prebon Capital Markets • Chana Company • Coldman • Sache • Co. • Gaindayes Bank Pic • Guinness Mantro • Co. Ltd. • Guil Management Sankes • Humbros Bank • Lundesbank Bheiriang-Piatr und Saar • Lazard Brothers • Co. • Chicago • Standard Bank Pic • Montro • Mantral Eurover Trust Co. • EP Martin Pic • Moltand Bank of Co. • EP Martin Pic • Moltand Bank Pic • Mogan Guanata • Mantral Eurover Trust Co. • EP Martin Pic • Moltand Bank of Co. • Pica Martin Pic • Moltand Bank of Company • Optional Europe Pical Confidence • National Martin Pic • Morgan Guanata • Protock Government Saccrises in c. • Pica Waterhouse • Protochtic Handeller • National Martin Pic • Morgan Guanata • Protochtic Government Saccrises • Pica • Pica Waterhouse • Protochtic Handeller • Protochtic Bank • Potochtic Government Saccrises • Pica • Pica Waterhouse • Protochtic Martin Pic • National B

How can you find out more about GOLD, Ú.S. TREASURIES, GILTS, SWAPS, EUROBONDS, CURRENCY OPTIONS & FOREIGN EXCHANGE?

Send for an Information Pack, or ask for a demonstration of any of our products by ringing Michael Young NOW on 01-351 6955

上記プログラムのいくつかは、日本語でも 受けられます。

Einige der obigen Programme sind auch in deutscher Sprache erhältlich. Certains de ces programmes sont disponibles en versions françaises.

Financial i Limited 250 King's Road, LONDON SW3 5UE. U.K. 20 01-351 6955 telex: 94014207 = FINI G



P and O

stake to

By Nikki Talt

near 10%

PENINSULAR AND Oriental Steam Navigation, shipping and property group headed by Sir Jeffrey Sterling, has increased its stake in Taylor

ups Taylor

### **UK COMPANY NEWS**

### Lambert Howarth profits tumble

acal &

DUIS

9.2256

LAMBERT HOWARTH saw its share price tumble by 45p to 135p yesterday after amouncing that first-half pre-tax profits had fallen from £880,000 to Mr Alan Linton, chief executive, described trading conditions in the features was true. petition in the footwear mar-

Since last autumn the UK shoe industry has been hit by assurge in imports from the Far East, following the fall of the US dollar, and the Far Eastern currencies linked to it, on for-

eign exchange markets. Companies like Lambert Howarth, which derives 60 per cent of its turnover from its footwear production plants in the UK, have seen sales fall and margins weaken because of the pressure from imports. Sales rose to £19.4m (£16.6m), but operating profits fell to £198,000 (£718,000) in the six months to July 1. Lambert paid

ELLIS & EVERARD, independent chemicals distributor, is doobling the size of its

US operations with the \$36.2m (£21.6m) acquisition of United Chemicals. The deal will be

funded by a one-for-two rights

issue to raise £25.5m.
The rights issue is priced at 145p, compared with a close on

By Clare Pearson

tive, described trading condi-tions in the interim period as "very tough". Lambert's footwear manufacturing interests made a loss during the first half, he said, but the group benefited from the growth of its importing interests and its recently acquired luggage com-

Lambert has already taken action to cut costs within man-ufacturing. It has been shedding labour through natural wastage for the last four months and has announced the closure of one of its four factories. Tha factory, at Bacup in Lancashire, will close by the end of the year. The machinery and most of the workforce will

Ellis buy doubles US operation

ing US network. "It will move

us neatly up the eastern sea-hoard from our base in the

south," Mr Stephen Bentley,

finance director, said yester-

day.

The addition of United

Chemicals, which operates mainly in Maryland, Pennsyl-

vania and Ohlo, will hring

nearby Burnley. The importing hasiness, which sources footwear from the Far East, was responsible for most of the growth in sales. Its performance suffered, how-ever, from tha extra costs incurred in the launch of the Hitz sports abor range. Lambert had to airfreight supplies into the UK, because of production delays in the Far East.

Mr Linton described the progress of Custom, the lug-gage business bought last year, as "satisfactory". He said, though, that its expansion was taking "lunger than we had taking "longer than we had hoped".

O COMMENT

graphical fit with Ellis's exist- paying Sanitaa, United's

about £18m, while Ellis is also... the US deal and rights issue.

Given the present tristes of the shoe industry it would have been foolish to expect anything

owner, about £3.2m for a five-

year non-competition agreement. United made pre-tax

profits of \$4.03m on turnover of \$87.61m in the year to June 30. Ellis intends to use the bal-

ance of the rights proceeds to

transfer to another plant, at other than a lousy set of results from Lambert Howarth. Yet these interims were even lousier than the City had expected and the share price collapsed yesterday. The flow of footwear imports has eased in recent months. But domestic demand is still slnggish and pressure on prices is as strong as ever. The prospects for improvement in the short term are, at best, slender. Lambert can, at least, turn to its own importing activities, albeit at lower margins than manufac-turing. In theory, the company should be prey to predators. In practise, the forlorn outlook for footwear will probably pro-vide a deterrent. The only senable option is to cut costs and

Associated

Henriques £0.7m

Associated-Henriques, the trade finance house which joined the main market in January, reported pre-tax profits of £652,736 on turnover of £1.02m for the six months to

pray that profits from imports will cover the losses from man-

ufacturing and, for shareholders' sake, the dividend too.

Earnings per 5p share worked through at 1.28p, and as forecast in the prospectus, a maiden interim dividend of 0.75p is declared.

### UK Paper rises to £8.4m and exceeds expectations

UK PAPER, the printing and writing paper maker floated in March, reported a 38 per cent rise in pre-tax profits for the first six months of 1988. The pre-tax profits figure of £8.4m (£6.1m) was better than

5p to 164p. Mr Tom Wilding, chairman and chief executive, said the group had so far achieved all it had set ont to do and the future looked at least as promising as at the time of the offer

expected and the shares rose

for sale.

Much of the pre-tax profit gain came from a £1.6m reduction in interest charges to

Operating profits from the continuing businesses rose by 14.3 per cent to £9.6m on sales 18.6 per cent higher at £106.4m. Mr Wilding said there had been strong performances from the three paper mills, with operating profits rises ranging between 18 and 25 per cent. However, start-up costs of £150,000 were incurred in opening two branches for the Wil-liam Guppy paper merchanting business which meant that profits there ware slightly lower. Mr Wilding said that he expected Guppy to expand rapidly over the next two years and that while turnover would rise, profits growth would be held back in the short term.

Strong demand for the company's paper meant that the group was working at full capacity and plans to increase production were being acceler-

Earnings per share, after an estimated 17.9 per cent tax charge, were 9p (7.2p on a pro forma basis). The tax charge is likely to be suh-normal for some years. A 2p interim divi-dend will be paid, which com-pares with a notional interim of 1.67p. The notional full-year dividend for 1007 area dividend for 1987 was 5p.

**O COMMENT** 

Any doubts about UK Paper at the time of the flotation were about the looger term rather than the current year. The company has made the best of quent rises in pulp prices, and constant up-dating of the paper machines — so far with mini-mal disruption — is keeping production rising and quality improving. There is no sign yet of a weakening in demand which observers fear will combine with industry-wide capacity increases in 1989 or 1990 to bring an end to the fun. In any case UK Paper's best defences, should that happen, sre its market-leader position, the upgrading of machines and the improved quality. Forecasts for the full year of around £20m (£15.4m), including a pension fund holiday worth £1.7m in both reary suggest an actual both years, suggest an actual

the strong demand despite fre-

### tax p/e under 8 which adeshares represented a trade investment and that the com-pany had no hostile intentions.

Record Holdings 30% up ALL-ROUND growth helped Record Holdings to raise pre-tax profits for the first half of 1988 by 30 per cent from £1.2m to £1.55m. Turnover for the Sheffield-based maker of hand tools was higher at £16.33m, against £12.46m, an increase of

Earnings per 5p share for the

gle final payment last year of

Turnover was split hetween £10.98m (£7.61m) in the home market and £5.35m (£4.85m) exports. Tax took £481,000 (£379,000).

were 3.75p (2.96p). The interim dividend is 0.66p against a sin-

Woodrow, construction com-pany, by a further 2.225m shares to 15.65m or 9.9 per Earlier this month, when announcing interim figures. Taylor Woodrow indicated that any substantial rise in the P and O stake would not be welcome. Yesterday, it said it had no comment to make other than to stress that it inteoded to remain independent. P and O, meanwhile, contipued to maintain that the

### Inoco sale

Inoco, a former oil company which is being turned into a property group by Mr David Rowland, yesterday sold its residual US oil and gas proper-ties to Firstland Oil and Gas.

Payment is in the form of \$250,000 in cash and 1.25m shares in Firstland. At yester-day's Firstland price of 36p, the deal is worth around

company which returned to Canay Scheepes management proven in the market place. Canay Scheepes management proven in the market place. Canay Scheepes

### pay for some small acquisi-tions it has made this year. It is considering the purchase of a private UK company which will cost a maximum of Wednesday of 184p. Yesterday the shares fell to 170p. ICI, Ellis's 28 per cent shareholder, Ellis's US turnover to about \$170m and make it the sixth between of £4m and £5m. has said it will take np its biggest chemicals distributor The charge for United is fall to about 9 per cent after rights to about 5m new shares. in the US. United Chemicals is

Church up midway despite US

CHURCH & CO, footwear manufacturer and retailer best known for its traditional men's hrogues, saw pre-tax profits rise by 8 per cent to £2.2m in the six months to end-June despite the impact of the weak dollar on profitability in the

Mr Ian Church, chairman, said that the company bad fared well in the interim period, especially in manufac-turing, and that order books

were "very, very full" for the rest of the year. Sales rose to 130.8m (£29.3m) while earnings per share increased to 12-sp (11.6p). The interim dividend is unchanged at 3p, Church's share price fell.

by 10p to 450p yesterday. In the last year or so, much of the UK footwear industry bas suffered from rising imports and falling output. centrated among the mainstream manufacturers of

women's shoes, like Lambert

Howarth which reported a fall .

in profits yesterday. Church, a specialist in expensive men's shoes, has emerged unscathed. The only difficult area of activity in the first half was the US, where the company suffered a fall in margins. Mr Church said that US sales had increased, but not enough to. counter the effects of the weak

By contrast, Church experienced strong sales growth in Europe, especially in France. It also made gains in the Far East, where it now sells in South Korea, Taiwan and Hong Kong as well as in Japan, its traditional market.

Mr Church said that so far the strength of sterling had had no effect on export sales which provided 75 per cent of turnover - apart from in the

A. Jones, the subsidiary embracing UK retailing, increased profits to £702,000 (£505,000) on sales of £13.6m (£13.2m). Earnings per share increased to £3.2p £38,9p).

### Bid target Ruberoid to sell site for £7m

RUBEROID, the building materials group, is to sell the Essex site of its Catalin resins and resin-impregnated papers subsidiary for £7m in cash.

The company, which is fighting a \$127m takeover bid from the housebuilder Raine Industries, said the disposal would. prodoce a £4.5m profit after allowing for estimated relocation costs to a yet unchosen

Mr John Roberts, Ruberoid chief executive, pointed out, however, that Catalin's entire product range was under

Mr Peter Parkin, Raine chief executive, said the disposal smacked of "desperation," but Mr Roberts said it had been planned before the bid was

Ruberoid, meanwhile, is due to produce a profits forecast later today. Mr Roberts con-firmed yesterday that it would be ready by this afternoon. However, Ruberoid and its

By Nikki Tait

public relations consultants, infopress, said the document would not be released to the Stock Exchange or made avail-able to the weekday press until respectively, is expected to take place later today.

"We're timing it for the Sun-days really," Infopress said. Briefings for journalists on The pension funds launched a 129.5p a share offer for TRIG last week, having raised their stake in the trust, one of the Sunday newspapers are due to begin today. Cundell growth Interim results of Cundell Group reflected the continuation of the growth seen in the second half of the previous year. Compared with the first half of 1987, pre-tax profits were 52 per cent higher at £1.81m, against £859,000.

Turnover for the corrugated packaging manufacturer in the six months to July 1 rose to £19.84m (£16.26m). Earnings per 10p share were 4.79p (3.47p)

Earlier this week, the TRIG per 10p share were 4.79p (3.47p) and there is an interim divi-dend of 1.28p.

### TR Industrial meeting with **British Coal**

A meeting between BZW and Kleinwort Benson, advisers to the British Coal Pensioa Funds and TR Industrial and General Investment Trust

largest in the sector, from just under 30 per cent to 36.1 per cent. Both sides are under-stood to be seeking clarifica-tion of intentions and

board met to consider the £560m bid, which arrived when most directors were on holiday, but decided to send only a holding letter to share-bolders. It added that its detailed views would be made known when the offer docu-ment was published.

### **COMPANY NEWS IN BRIEF**

Investments is selling Kings Cross House, London, for £43.4m. The property has been held for two months by Assetmerrit, a joint venture com-pany in which AFI holds 42.855 per cent of the issued share capital. AFI will make £1.5m profit on the sale.

AVDEL, the former Newman industries, is fully listed. It was incorrectly described as a USM-quoted company in yesterday's edition.

CITY GATE Estates has sold an 88,000 sq ft freehold prop-erty scheme at Richford Street, Hammersmith, London, for £17.75m cash to a private investment company. It is City Gate's first deal since joining the USM last July.

COOPER (ALAN) Holdings threr): Turnover £5.12m (£4.37m) and pre-tax profits £1.32m (£976,000) for six months to June 30. Earnings per 10p share 8.24p (6.23p) and interim dividend 2.1p (1.5p).

DALE ELECTRIC International had an outstanding order book of £24m annual meeting told. Chairman expec-ted a further increase in profitability for the year to April

ENGLISH & OVERSEAS Properties: Turnover £1.87m (£1.83m) and pre-tax profits

AMALGAMATED FINANCIAL 1985 1000 (£233,000) for the half Investments is selling Kings (£33,4m. The property has been held for two months by Asset for 1968. Pentos has a 29.9 per

HIGHGATE & JOB Group (Chemical manufacturer): Turnover £1,7m (£3.37m) and taxable profits £35,060 (losses Earnings 2.1p (losses 19.7p) before extraordinary debits totalling £117,031 (£31,173).

**HOME COUNTIES Newspapers** Holdings: Turnover £8.7m (£6.95m) and pre-tax profits £1.73m (£1.15m), after exceptional provision of £227,000 (mil), for six months to July 1. Tax £632,000 (2418,000). Earnings 22p (14.6p) and interim dividend 8.73p (2.5p).

(Office furniture manufac- PERGAMON PROFESSIONAL and Financial Services said it owned or had received irrevocable acceptances in respect of 29.19 per cent of ordinary shares in AGB Research and 0.13 per cent of convertible preference shares.

WESTFIELD INTERNA-WESTFIELD INTERNA-TIONAL, US operator of shop-ping centres, which came to the market in July, reported pre-tax profits for first half of 1988 of \$4.9m (£2.9m) on turn-over of \$15.28m. Net asset back-ing per \$1 share, fully diluted,

### Norfolk House sells 58 sites for £26.39m

By Paul Cheeseright **Property Correspondent** 

Norfolk House, petrol station and service area property development company, is sell-ing 58 properties to Petrofina IIK, a subsidiary of the Bel-gian oil and chemicals company, for £26.39m.

However 35 of the sites will be leased back by Norfolk for

Norfolk's proceeds from the sale will be used to develop and operate 55 other petrol station sites it already

The company, the shares of which started trading on the USM in March, both develops and operates petrol stations and service areas on its own behalf and provides a similar service for the major oil

The transaction with Petrofina is staggered over six

Petrofina will buy 20 sites this month for £9.68m and a further 34 for £13.265m by the end of March 1989. The remaining four sites will be bought by Petrofina for £3.445m provided Norfolk can obtain planning permission for

# Sasbury Schweppes First half results

Sales **Trading Profit Pre-tax Profit** 

**Earnings per Share** Dividend per Share

£1,063m +13.9% \$89.2m +34.3% \$81.7m +28.5%

> 8.97p +29.8% 2.40p +14.3%

 Sales, profits and margins up in both business streams. Strong profit growth from established businesses supplemented by acquisitions.

 Dr Pepper investment gives handsome cash return and continued involvement in the new Dr Pepper/ Seven-Up US business.

 Franchise agreement with Hershey and sale of US confectionery assets gives an increasing annual income and resources for further development.

• Underlying earnings per share up 18.4% and interim dividend up 14.3%. The published earnings per share figure shown above includes a change in accounting treatment for Advance Corporation Tax.

Board confident about future prospects.





The contents of this advertisement have been approved for the purposes of Section 57 (1) of the Financial Services Act 1986 by Coopers & Lybrand who are authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business. Past performance is not necessarily an indication of future performance.

CLANGE SCHOOLS MANAGEMENT PROVEN IN THE MARKET PLACE. CLANGE SCHOOLS MANAGEMENT PROVEN IN THE MARKET PLACE, CLANGE SCHOOLS MANAGEMENT PROVEN IN THE PLACE SCHOOLS MANAGEMENT PROVEN IN THE PLACE SCHOOLS MANAGEMENT PROVEN IN THE PLACE SCHOOLS MANAGEMENT PROVEN IN THE

### Barometer set fair for another year

By Paul Cheeseright, Property Correspondent

he evening rush hour on the trading estate in Slough starts later these days. This is both an indication of the confidence in the industrial sector, dence in the industrial sector, interest rate increases notwithstanding, and a boon for Slough Estates as the rent collection tills ring happily.

This trading estate – 486 acres and 7.4m square feet, of space of which about 1m is taken by Mars – is the foundation of the fortunes of Slough

tion of the fortunes of Slough Estates, the biggest developer of industrial and general com-mercial space in Britain.

If any company is likely to henefit from the economic growth of recent years it is Slough Estates, with properties throughout the south-east and to a lesser extent in the Midlands and north. Its British portfolio is more than 17m sq ft, of which nearly 13m is industrial and warehousing property. It is a barometer of

the industrial property market. But the phrase "industrial property" should not be interpreted narrowly. These days the sector is widely defined taking in high-tech space with a substantial office content, warehousing, as well as premises where people actually

make things.

The only place where the group has vacant space in its established properties is Aberdeen. Two years ago the only area of Britain where it was

drawing in higher revenues through higher rents was the south-east. But over the last two years, long term vacant space outside the south-east has been taken up — in Ches-ter, for example. "We are ter, for example. We are starting to invest and reinvest where we have done little for a long time," says Sir Nigel Mobbs, the chairman Birmingham is an example.

This week the group gave an indication of how it is faring in the present state of the market with an announcement of pretax profits for the first half of 1988 at £34.1m, 21.8 per cent higher than in the 1987 first

But the market has become mured to results of this kind mured to results of this kind from the biggest property investment groups and, although the share price was higher in anticipation of the announcement, it slipped back immediately afterwards to 292p. At present the market is more concerned about high interest rates than the fact that the rush hour on the trading

estate is later. Over the last year the aver-Slough trading estate has been about 20 per cent. Pure office rents have reached about £20 a square foot, the top industrial rents have climbed to £10 and for sheds with a 30 per cent office content, rents are running between £7.50 and £8.00 a

Elsewhere in the country rents have moved likewise and sometimes by considerably more, although they have started off a much lower base. These sort of figures explain why returns for industrial property over the last few months have been outstripping those for retail and office prop-

It has all seemed too good to last and there is caution at Slongh Estates about the medium term prospects. "We are relatively content into the

The industrial market now. "The industrial market now, compared with 20 years ago, is much more broadly based. It is not only about manufacturing. It is about services and distribution. We are seeing a conglomeration of uses." — Sir Nigel Mobbs, chairman of Slough Estates.

second half of next year, but at that point the crystal ball gets a bit cloudy," says Sir Nigel: There is concern at Slough Estates about the impact of the

rating revaluation and the imposition of the new uniform business rate. While this might not adversely affect industrial properties in the north, it could in Slough and the southst. Nor is it clear what will be the impact of Government moves, through the increases

effect so far, from the Slough
Estates viewpoint, but it could
have in a few months.

The market itself is hot and
this can be seen in the way
that land prices have been bid
upwards by developers hungry
to enter the market. Slough
Estates is always looking for
land so as to have a sufficient
approxy for a development proamd so as to have a sundaent supply for a development pro-gramme running about three years ahead. But, sighs Mr Graeme Elliot, the vice-chair-man, "We always fail in our hids for sites. Some of the prices are crazy."

The company bid for a site in velopmen Birmingham which originally portfolio. had been for sale at up to £1.7m. It put in a bid for £2m. The vendors promptly rejected that and other bids. They put the site back on the market with a starting price of £2m.

Higher land prices have frequently made it uneconomic for developers to erect industrial sheds. The prices have made sense only if the land could be used for high-tech premises, taking advantage of the new B1 use class which creates a new business category and wipes out the differ-ence between light industrial and office use.

in interest rates, to dampen down some of the fire in the economy. It has had no market effect so far, from the Slough Estates viewpoint, but it could have in a few months.

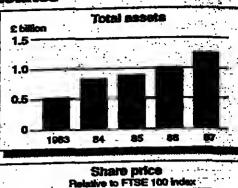
The market itself is hot and

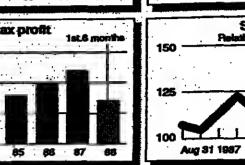
All these factors suggest a degree of caution about the medium term. But Slough Estates is well protected against any downturn compared with most developers. The size of its property holdings means that it does not have to engage in a frantic search for sites. If it wishes, the group can confine itself to the group can confine itself to a rolling programme of rede-velopment within its existing

Its development programme is organised in phases. Actual commitments run about 18 months ahead, so that if there is any market downturn, the next phase can be delayed. The total development programme, including its share of the town centre retail projects of 52 per cent-owned Bredero Properties, will cost about £550m. Of that rather less than £100m will be spent overseas, while a further Britain over the next 18

Financial needs over the next 18 months are largely cov-Now, in the south-east, there are signs of over supply, notes Mr Roger Carey, the Slough effect of that capital-rais-

Slough Estates Net assets per share 300 280 Pre-tax profit 1st8 me





ing, added to what was in the bank, means that Slough Estates is sitting on a cash pile of £160m. The immediate impact of higher interest rates is therefore to increase its revenue. But over the last six months, says Sir Nigel, "we have been fixing interest rates, where we had variable rates; 90 per cent of our net debt is already fixed and we have a chunk of eash. For the short term we are not exposed."

The variable element that

remains is largely overseas. Slough Estates has a portfolio

of property and financial interests in Canada, the US, Australia, Belgium, France and Ger-many. The overseas portion of its assets accounted for about a third of the total 15 years ago. Now it accounts for 20 per cent, a reduction which is explained not so much by a running down of foreign interests as by the relativity of UK and foreign values and by exchange rate factors. The development programme abroad is, in fact, more exten-sive in square footage terms than that in Britain.

Here then is a cushion of protection against problems in Britain. The aggregate value of all Slough Estates properties, home and abroad, at the end of 1987 was £1.1bn. Net assets per share were 287p. This asset value is now certainly under-stated. Slough Estates itself does not know the exact figure, but with the rise in rents help-ing to push up capital values in Britain. City estimates run from 340p up to about 390p. Whatever the figure, the shares are trading on a considerable discount.

Aug 31 1988

 $(\mathcal{E}_{\mathcal{F}_{i}},\mathcal{G}_{\mathcal{F}_{i}})$ 

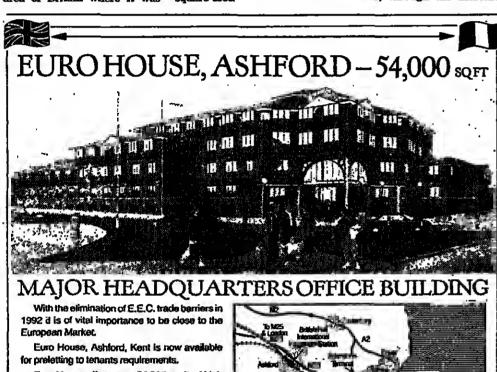
 $\mathcal{Z}_{i} \in \mathcal{X}_{i} \cap \mathcal{Z}_{i-1}$ 

1.00

. .

E-MARKETS

des nud



Euro House offers up to 54,000 sq. ft. of high specification office space, complete with ample parking on site. Town centre location

- \* Ring Road frontage with direct access to the M20, London and Channel Tunnel Stylish Reception Area
  - Accessible, raised flooring
  - \* Lifts to all floors Suspended cellings \* 24 hour access

Freehold For Sale

By Informal Tender.
Subject to Formal Closure Consultations

Middlesex

Initial proposals by 20 October 1988

All enquiries

Approximately 17 acres

South Middlesex Hospital

Mogden Lane, Isleworth,

A Major Development Opportunity Suitable for a variety of uses

Knight Frank

A 3 Star Hotel close to Town Centre

THE LORD HILL HOTEL SHREWSBURY ent opportunity to acquire a substantial be usiness in this prosperous attractive lown.

BAR. RESTAURANT FOR 75 DINERS. REGENCY BAR. REGENCY SUITE FOR UP TO 300 PEOPLE. WELLINGTON SUITE FOR 50 PEOPLE

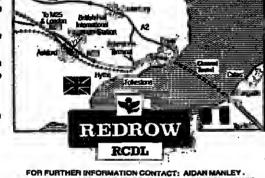
46 LETTING BEDROOMS ALL WITH PRIVATE FACILITIES SUBSTANTIAL CAR PARK FOR SALE BY TENDER TO Be Submitted By 22nd September 1988

DETAILS FROM
London Office Tel. 01 629 8171
OR
:Shrewsbury Office Tel. (0743) 62587.

20 Hanover Square 01-629 8171

London WIR 0AH Telex 265384

& Rutley



FOR FURTHER INFORMATION CONTACT: AIDAN MANLEY.
EDROW COMMERCIAL DEVELOPMENTS LTD REDROW HOUSE.
ALLTAMI, NR. MOLD. CLWYD CH7 8RW TEL: 9244 648111

### TO LET Modern Industrial Premises in North Shields, Tyne & Wear, 44.088 sq.ft.

LONG LEASEHOLD lodern warehouse premis in Gleurothes, scotland, et Nattrant Giles, Not (9602) 588599

KNIGHTSBRIDGE 2 Prestigious offices for rent. Plus secretarial reception area. Executive bathroom, Maid service. Kitchen facilities/Own entrance with charming patio. Only £500.00 p.week Rates Incl.

(by private arrangement) 01-581 4379 Sam/Spen Derby City Centre Main Pedestrian Precinct Shop to let on now 21 year lease, Shop 1,130 sq.ft. Rent £14,000 p.a.

SC offices 1,250 sq.ft. Rent £3,750 p.s. Frank Fromm, 11, Blagdens Close London N14 6DE.

Phone: 01-882-0964

**THROGMORTON** BUSINESS CENTRE

tuperior serviced offices, fully slahed, 24hr security, immediate occupation, 2 mins from Burk reground 2 easy accese to all City Line Stations. For turther details Telephone: 01-606 1771

DERBY CITY CENTRE MAIN PEDESTRIAN PRECINCT Shop to Let on new 21 year lease shop 1,1130 sq. ft. Rent £14,000.—p.a. S/C offices 1,230 sq. ft. Rent £3,750.—p.a. Frank Fromm 11. Blagdens Close, London N14 6DE. Phone: 01 882 0964.

35 ACRES ON MOTORWAY ROUNDABOUT Fractional with Planating Consent to drive straight off the roundabourt On Mile near Deposition. Planating Consent for Chance Bi, B2 and B8 (Business Class, Concret Industrial and Storage and Dis-tribution), Ideal location for Hotel, Motel, Fast Food, Petrol etc (Planners believed to be very sympathetic in such believed to be very sympathetic to such uses) From £20,000 per sere - price

WALFRUNA WORKS, BLAKENALL INDUSTRIAL ESTATE, MOORFIELD ROAD, **WOLVERHAMPTON, WEST MIDLANDS** Major freehold industrial premises of 190,800 sq th on approximately 4,5 acre site. Vacant Possession.

barnard marcus

**MAJOR AUCTION SALE** 

**OF COMMERCIAL PROPERTIES** 

ROYAL YORK MANSION, THE PARADE, MARGATE, KENT Substantial see front freehold building with 5 shops, 13 flats, together with well-known local public house. Part vacant producing £13,981 per annum

barnard marcus 28 South Street, Maylair, London W1Y 5PJ. Tel: 01-491 2220

ember of the Fox Holdings Group

PARSONS GREEN SW6

FREEHOLDS FOR SALE

TWELVE NEW BI OTTICES BET IN THIS HENCIFYELT HEPREBUYE COURTEAGN DEVELOPMENT, WITH CAR PARKING AND HERD SPECIFICATION. USE ARE A VARIETY OF UNITS FROM \$10-1,475 BQ. FT. TO INSPECT THE BUSINESS SHOW SUITE AND TO OBTAIN A COPY OF THE BROCKUR CONTACT EITHER OF THE JOINT ACENTS.



1 434 9272 F. IKI

### **45 HERTFORD ST MAYFAIR W1**

Prestige period office property self-contained, newly refurbished 2,700 sq.ft.

TO LET

Contact Richard Morris or Garry Woodford 2nd Floor 21 Knightsbridge, London SW1X 7LY Tcl: 01 245 6725

### **AUCTION SALE SEPT 22/23 1988** (UNLESS SOLD PRIOR)

13 The Quadrant, Richmond-upon-Thames, Surrey. (Shop + upper in prime position let to North Thames Gas at very low rent £450 p.a. Valuable reversion in only 15¼ years).

29/33 Kirkgate, Wakefield, W. Yorks. (3 shops + upper parts prod 162 Holland Road, Kensington W14. (1 flat + 20 rooms (6 vacant) let

£14,014 p.a.) 142/144 Strenthum Hill, London SW2. (0.8 acre building let to Mecca Leasure at extremely low rental of £333 p.a. until 2027)

10 Upper Whapole St, London W1. (Occupied as medical suites + 4 self contained flats (2 vacant) prod. £26,236 p.a. P.P. for 4th floor flat). Harman Healy & Co, 14 Roger St, Loudon WC1. 01-405 3581

### PRESTIGIOUS STORE LONDON W.1.

475-477 Oxford Street

Lease For Sale Ground Floor: 3,850 sq.ft. Mezzanine: 615 sq.ft. First Floor: 3,784 sq.ft.

All Enquiries Colin Dunkericy/Mark Boyes Clive Lewis & Partners 01-499 1001

### INTERNATIONAL PROPERTY

A chance to own the most remarkable resort in the world.



### The Barrier Reef Floating Resort, Queensland, Australia.

The world's only floating resort hotel is -. for cale, Situated in the beart of Australia's magnificent Great Barrier Reef, the 200 room floating resort is set up and running, ready to capitalise on Australia's increasing tourist boom.

For full information contact: Barrier Reef Holdings Limited Level 2, 20 Lottes Street Sydney NSW 2000 Australia

Phone: 61-2-251-3433 61-2-251-1731 BEH 170168

Agent enquiries welcome.

PORTUGAL On the instructions of the Liquidator OUTSTANDING 125,000 M<sup>2</sup>



**PLANNING FOR** 30 Bungalows - 24 Villas - 90 Apartments 200 Bedroom Hotel · Sports Complex

 $\alpha$ 

Local centre of 11 Retailing units · Restaurant · Bar · Supermarket · Sales office · Apartment - Swimming Pool Complex

For further details and price contact Sole Agents Ref JB/PWS -



### Copenhagen

Small head office The very best location, by one of the old canals in Copenhagen just opposite Christiansborg (Parliament), a small, well-preserved and fully vacant five-storey town house, 360 sqm. is offered for sale.

For further information, please contact: Mr. Peter Falkesgaard, B.Com. 29, Amagertory DK-1160 Copenhagen Tel, 45-1-142601 Tix. 15706 falke dk Fax: 45-1-326001

Long Term Lease Of exclusive fashion shop available in Copenhagen. The very best location of the city, right next door to the Illum Goodwill £285,000 Picase contact: Mr. Palle Nielsen, Accountant H.C. Oustedsvej 10 DK-1879 Frederiksberg C. Telephone, Denmark 01 - 31 78 00

Duesseldorf Industrial site for sale 28,655 som w. factory and office brildings favourably situated with rail Write in Box No T6961, Financial Times 10 Canage Street, Landon ECAP 45V.

For Sale By Auction **Bournemouth Prime** Town Centre Redevelopment Opportunity.

Planning permission for 16,000 sq.ft. Offices or 20 residential flats Auction to be held on: ruesday, 20th September 1988 at the Hotel Piccadilly Bath

Details from joint agents:

Gondsby & Harding 39-41 High Street Ringwood, Hauts Tel: (0425) 471662

Greys 117 Old Christchurch Road Tel: (0202) 294169.

### WANTED Possible Building Land

Do you have land which might have planning commercial developments? Then phone me anytime for free advice as to its time potential

Richard Calld Grafton Estates PLC Office 01-408-6688 Evenings & Weckends 9702-54888 (Also lead with pisoning permission received)

Benutifully restored Georgian beliding Equidistant from The Curret, Milsoon Street and Queezs Square. 1590 sq ft on area. Includes lighting, carpeting and fell central beating. Offers over 4350,000. TEL BROOKS CHARTERED

For Sale FOF Same
180% Cupital Allowances, investment
Reventueery industrial Washings in
Remarking Read, E.Z. Incripty, LucenPre-Let To Substantial Congaegy,
Net Income £67.500 PA, Egé £00,000
PA, Price £940,000 PA, Egé £00,000
PA, Price £940,000 PA, Egé £00,000
Of Ten. Payer - £356,000 giving net
cost of £584,000 to show an initial yield
of 11.55% and a reventionary yield of
13.65% after allowing for the tax
hearfill. of 11.55% and a reversional 13.69% after allowing for benefits.

Apply Dunlop Heywood & Co, 90 Demogate, Manchester M3.2QP Tel: 061-834 8384 Ref. AWH CITY OF

### LONDON **PROPERTY**

The Financial Times proposes to publish a Survey on the above on

Friday 23rd September 1988

For a full editorial synopsis and advertisement details, please contact:

JONATHAN WALLIS

on 01-248-8000 ext 4196 or write to him at: Bracken House, 10 Cannon Street London EC4P 4BY.

**FINANCIAL TIMES** 

### CURRENCIES, MONEY AND CAPITAL MARKETS

### **FOREIGN EXCHANGES**

### Intervention fears halt dollar

unchanged from Wednesday's close at 75.8, and was the same

that there is currently a dearth of economic data to influence

the market, and given the rela-

tively low volume, exchange rate movements are more

likely to be influenced by com-paratively modest market

Nevertheless the weaker tone brought the Bank of

England into the market in order to control the fall. Even so, the pound slipped to \$1.6785.

THE DOLLAR failed to build finished elsewhere at SFr1.5815 on Wednesday's rise to a ten from SFr1.5850 and FFr6.3700 month high against the yen, compared with FFr6.3715. On amid growing concern that the Bank of England figures, the Bank of Japan will intervene dollar's exchange rate index to support the yen.

Conflicting statements by Sterling weakend sharply in Japanese officials added to the late afternoon, prompting mood of uncertainty. Mr Kilch: intervention by the Bank of Miyazawa, Japan's Finance England. The pound's Minister, stated that the mare exchange rate index opened ket would be allowed to set if ket would be allowed to set the at 3pm, before slipping away to finish at the day's low of 75.5.

The sharp fall towards the close was probably the result of a large selling order out of Naw York, in an otherwise thin market. Dealers agreed that there is currently a dearth. present currency condition were not regarded as volatile However, this was quickly. followed by comments from a spokesman at the Bank d Japan, suggesting that a co-tinued yen depreciation world trigger central bank interval

Dealers pointed out that he yao/dollar rate spread as agreed at the Louvie Accoll-Y125 to Y140, and that if stong resistance were broker at Y138, then the Bank of Jpan was most likely to lend sup-

Against this backgrund, many short-term invetors were content to remain a the sidelines ahead of tday's release of US employment figures for August, and the closure of US markets on Ronday for a public holiday. The dollar closed at 7136.40,

barely changed from Y136.56 on Wednesday. It was a little lower against the Dwark at DM1.8740 from DM1.875, and

E TH NEW YORK

ir in term

Burnit Pro

新加克·西斯

Charleson Charles

100 -- - E:

No. of Distance

se of the

Bun burdin

UNITED THE PARTY

¥ e.√

TY OF

MA

Hilky

of all  $x_i$ 

 $\{ e^{i t} \}_{t=0}^{T}$ 

erifet "itt. i

-mN-

t till

13112

A 100 100 110

C Spot	Sept.)	Late	. 1	Previous
Forward premiums and discounts any to the US dollar STERLING INDEX	1 month	0.52-0	Slom	840-1.6850 0.53-0.51pm 1.55-1.52pm
			4	

CURRENCY RATES

Sterling	1,766090	0.657514	
	50 1.28818	1.10482	٠,
Caradian S 8.		1.36799	
Austrian Scit	4 1 16.9937	14,6046	
Belgian Francia	7 50.6448	43.5161	٠,
Danish Krone 7	8,91678	7.97350	
	2.41508	2.07508	. 4
Meth Gullder	272772	23/322	٠,
	0.19927	7.04567	1
Italian Lira 12	1793.15	1542.63	1
Japanese Yea		150,885	
Morway Krone	8.91678	7.66359	
Spanish Pesera			. '
Swedish Krona .   8		7.16698	
Series Franc		167,712	
	WAL	0.774878	٠.
Irish Punk		WALLED OF	
"All SDR rates are	APR 31		
	F FORECE	3.4	
CHOOCAG			
CURRENG	MOVE	1C419	
	. Black of	Morgan	•
Scot.1	England	Custamy	
	tradex	Changes %	. '
Steriling	75.5	16.5	٠,
U.S Dollar	100.3	7.0	
V.4 (VVIII)	. 00	2.0	

Bank. Opecial\*
tate Jeaning
Rights

429 -600 +000 +209 +1133 -1133 -1133 -1133 -1133 -1133

OTHERCURRENCIES

MONEY MARKETS

### Rates nudge higher

ness about sterling. Three-mont interbank rose to 12a-12a pt. from 12%-12% p.c., but tradig was generally quiet. The Bank of England intitially forecast a flat credit postion h the money market, hu revised this to a surplus of around £200m in the afternoon. The otherities did not intervene in the market before.

UK couring bank been looking rate 12 per cost trees Adjust 25 & 25

lunch but in the aftermon absorbed part of the surplus by selling £158m Treasury bills, due today, at rates of 10%-11%

Bills maturing in official hands, repayment of late saistance, and a take-up of reasury hills drained \$528m with a rise in the note circuation absorbing 1650m and har hal absorbing £45m, and ban bal-ances below target £70m. These factors were roughly beanced by Exchequer transctions dding £765m to liquidly.

In Frankfurt credit condi-tions were tighter, win call money rising to 4.75 pc. from 4.00 p.c., but the upwrd move was regarded as technical, and dealers believed that the call rate should remain blow the Lombard emergency prowing

RATE TENDED to nudge trate of 5 p.c. higheron the London money. The Bundesbank allocated marks, on continued nervous. DM26.5bn in a two tranche facility, at this week's securities repurchase tender, against an expiring facility of

Yes per 2,000: French Fr. per 10: Lice per 2,000: Belgion Fr. per 100.

The central bank accepted bids of DM14.6bn for a 34-day pact, at a fixed rate of 4.25 p.c., and DM11.9bn for a 62-day agreement at rates from 4.50 p.c. to 5.15 p.c.

Dealers appeared to be generally satisfied with the alloca-tion, and pointed out that the average rate on the 62-day tranche averaged about 4.70 p.c., which is below the cost of 4.90 p.c. for two-month domes-tic funds on the money market. Traders believe that the Bundesbank does not intend to let call money rise to the Lom-bard rate, and has no need to push short-term rates higher.
This follows a slow down of M3
monetary growth to 6.7 p.c., in
the June to July period, from
7.4 p.c. in May to June. A recovery of the D-Mark against the dollar has also tended to reduce upward pres-

in New York the Federal Reserve surprised the market by adding \$1.5bm of reserves to the banking system, via cus-tomer repurchase agreements. The Fed entered the market when Federal funds were trading at 8% p.c. it was the first intervention since August 24.

from \$1.6840 against the dollar, and finished at its worst level since mid-July in D-Mark terms at DM3.1850 from

DM3.1625. It was also weaker against the yen at Y228.25 from Y229.75. Elsewhere it finished

at SFr2.6475 from SFr2.6700 and

FFr10.6600 compared with

In Frankfurt, the Bundes-

to leave the dollar on a weaker

pared with DM1.8795 on Wednesday.

man unit was fixed at FFr3.3951 up from FFr3.8937 on

Divergence

3.60 -1.66 -

ment figures.

+2.49 +1.55 +0.80 +2.05 +1.03 +0.84 +3.98

EMS EUROPEAN CURRENCY UNIT RATES

POUND SPOT- FORWARD AGAINST THE POUND

**DOLLAR SPOT- FORWARD AGAINST THE DOLLAR** 

**EURO-CURRENCY INTEREST RATES** 

EXCHANGE CROSS RATES

3.009 0.747 4.563 1.134

1.517

NEW YORK

Sept.1

1114

(Lunchtime)

(11.00 a.m. Sept.37 · 3 months US dollars

The French franc was slightly easier against the D-Mark in Paris. The West Ger-

### Several factors depress gilts

Several other factors tended

to jangle market nerves, including the suddeo weakening of sterling in late trading, as the result of a large selling

order out of New York.

LONG GILT futures touched a new trading low of 93-04 for December delivery on Liffe yesterday, before closing at 93-06, compared with 93-08 oo Wednesday.

**FINANCIAL FUTURES** 

The contract fell back from a peak of 93-20, and dealers said there was some concern that long gilt futures have hit new consecutive trading days.

bank's determination to defend the D-Mark, and the prospect of central bank intervention by the Bank of Japan, combined note. The US unit eased to DML8780 at the close, com-556 410 245 135 135 11 Estimated volume total, Calls 662 Puts 1793 Province day's open for, Calls 11689 Puts 22928

Wednesday. Once again trad-ing volume was relatively light ahead of today's US employ-

Average rates for August against the US dollar were: 1235 735 292 33 60 DM1.8887; Y133.78; \$1.6977 and

LONDON (LIFFE)

Est, Vol. (Inc., Figs. and showed 21,662 (15933) . Presions day's open inc., 45633 (47051)

Estimated Volume 1929 (2065) Previous day's open int., 12027 (11782)

CURRENCY FUTURES

LIFFE-STERLING E25,909 % per S

POWERS OF THE ENGLANCED

4.80-5.00 711-8-1 31-31 51-51

121

500

FT LONDON INTERBANK FIXING

MONEY RATES

14-73

LONDON MONEY RATES

nig

Oose High tow Pres, 172-90 173-80 172-90 173-10 174-85 175-50 174-80 177-00

0.60 1.00 1.77 2.88 4.28 6.07 8.10 

82-22

strong growth in sterling M0 money supply. The latest banking returns point to a weekly rise of 0.7 p.c., suggesting year-on-year growth of 7.7 p.c., against a Government target of

This pushed the pound's exchange rate index down to 75.5 at the close, bringing it closer to an important technical resistance point of 74.3, going back to October of last Dealers said the market was unnerved by these factors, and that this led to the fizzling out of a potential bear squeeze.

1065 684 593 199 89 Estimated volume total, Calls D Pats D Previous star's onen int. Calls 3 Pats 137

LIFFE SHORT STEIRLING

14 100 30 20 10 5.50 9.90 12.50 16.50 1.20 0.60 1.10 4.50 2.80 4 1.20 2.30 7.50 3.50 0.80 1.20 5 0.60 1.60 TOTAL VOLUME IN CONTRACTS: 17.735 B = Bid

**EUROPEAN OPTIONS EXCHANGE** 

**BASE LENDING RATES** Adam & Company

AAB - Allied Arah Bk

Allied Irish Bank

Henry Ansharber

AMZ Banking Group Northern Bank Ltd. Comm. Bk. N. East. Norwich Gen. Trest ...... PRIVATbanken Limited. Courtis & Co.
Cyprus Popular Bir ....
Dumbar Bank PLC ....
Dumcan Lawrig ....
Equatorial Bank plc .... Associates Cap Corp .... Exeter Trust Ltd ............ Financial & Gen. Bank ... Standard Chartered ...... 75B UDT Mortgage Exp First National Bank Pic.

Robert Fleming & Co. Bank Learnt (DIK) Bask of Ireland ...... Bask of Ireland ..... Robert Fraser & Plots United Bk of Kewait ..... United Mizrabi Bank .... Unity Trust Bank Pic Western Trust
Westpac Bank Corp.
Whiteaway Laidlaw
Yorkshire Bank Banque Beige Ltd Banque Bank HFC Bank plc.
Hambros Bank
Heritable & Geo Inv Bk Hill Samed ..... Members of British Merchant Banklag & Securities Houses Association. 6 7 day deposits 4.38% Savewire 7.16%. Top Tier-E10,0004-Instant. access 9.0% & Mortgage base rate. 5 Demand deposit. 7%. Mortgage 11.375% - 11.75% Brown Salpley
 Business Mitge Tst
 Cl. Bank Bederland
 Central Capital
 Charterboose Bank



# Record first half year

### Highlights from the Interim Statement

 $\bigstar$  Interim dividend up by 17%.

★ 36% increase in pre-tax profits.

★ Long-term business profits growth 28%.

★ 45% advance in earnings per

The Interim Statement 1988 is being posted to ordinary shareholds and an Interim Statement for Guardian Royal Exchange Assurance Group is being posted to preference shareholders and unaccured loan stockholders of Guardian Royal Exchange Assurance pic. Extracted from the Company's Accounts for the year 1987 which recommunified Auditor's Report and which have been filed with the

f.Adjusted to take account of the sub-division of each 25p ordinary share into 5 ordinary shares of 5p each.

**Summary of Estimated Results** for the half year ended 30th June 1988

1987\*-(audited) 1988 1987 Premiums short-term business 795.0 1,448.6 Investment income 108.4 101.7 204.1 Underwriting results short-term business (31.0)(63.9)long-term business 14.8 <u>11.5</u> <u>24.8</u> 111.7 Profit before taxation 165.0 Taxation and minorities 41.7 <u>34.3</u> <u>57.3</u> Profit attributable 70.0 47.9 to shareholders 107.7 8.7p6.0pt 13.4p† Earnings per share 3.5p3.0pt Dividend per share Shareholders' funds £1,263.6m £1,341.1m £1,086.8m

Results by Territories First 6 months Under-writing Result £m (3.9) (1.1) (6.7) 11.9 Em 38.6 65.6 137.9 313.5 68.4 171.0 70= 0 £m 8.3 8.8 13.7 43.1 8.3 26.2 £m 8.0 6.5 13.3 44.0 £m 39.3 73.9 134.1 336.5 70.5 174.2 £m (4.4) (1.3) (7.5) (14.7) 1.8 (4.9) (11.7) 21.9 101.7

Life New Business First 6 months First 6 months 1987 Ωm New Sums Assured 3,856.7 3,283.6 90.5 72.9 New Annual Premiums 51.7 41.5 New Single Premiums 156.3



### Guardian Royal Exchange

Royal Exchange, London EC3V 3LS Service and protection – worldwide



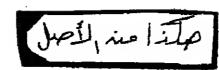
20	FT UNIT	TRUST INF	ORMATION SER		TNANCIAL TIMES PRIDA	
AUTHORISED  Auderson Orney Unit Tak Myrs Ltd (1.2)  62 London Wall, London, EC27,700  Consult TRUSTS  Date Cape. Late Office or Vision Intercent (1.2)  1.2 London Wall, London, EC27,700  1.3 London Wall, London, EC27,700  1.4 Recovery Acc (2.2071) 214.0  1.4 Recovery Acc (2.2071) 224.0  1.4 Recovery Acc (2.2077) 297.3	204 50 Manua Printing Acr 5 1370 1681 1 160 9 an Bril - Far Ea	Last Case. Bild 8fter + in Yield Carge Price Price - 615 abio Usah's Admira List (1660)F St., Ayieshery, Bucks, 1472 7604, 0276 431480 atm	Chit Case. Hid Stitut in Visid Chips Price Price Price - St. Guisness Mahon Unit Tst Mgrs Lhd (1900): Lendin PO Box 442, 12:55 Mgrs ri-Hill, Ed. 91,4219333 (1800) European Georgia, 1933,43 4424 49,841 — 90 Wissand	seit Conc. Star Affer or Vield Clays Price Price File: 675 MEM Brit H & Manchester (7st Mgmt) Lts! Mem Brit Hose (200) Frank, Duster, DC 105 (202 202672) Just Record	East Come. Bid Miles - 1 Mark Comp. Price	For Figure 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Anthony Wieter Unit Tat Mayers (1000)H 80 Holdenhars Rd, Bournerposts (1345 757873 Grant history = 3 1075 108.1 115.0   189 Lacaure American legome (4 9 70 43 774 46.56)+0 045,80 Grant   2 2 2 5 5 1 5 6 5	(1000)F European Inc. 54 15 53 15 56 16 76 -611 99 Morning 177 1010 European Acc. 54 15 00 15 58 16 59 48 10 Pelicar 177 1010 European Acc. 54 15 00 15 58 16 59 48 10 Pelicar 126 9 26 13 15 16 16 16 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18	COMP A 91.67 92 84 94 851-1 00 5 11 6 5 10 6 5 10 6 5 10 6 10 6 10	European Growth \$23,43 64,24 49,899 -0 80 Wissiand Paralific Growth \$27 72 79,72 42 31 4,920-30 American Receivery \$27 84,92 42 31 4,920-30 B American Receivery \$20,00 75,93 20 20 33 20 21 70 21 18 18 18 18 18 18 18 18 18 18 18 18 18	1 Japan Peri 1 Japan Peri 1 Japan Peri 1 Japan Peri 1 Japan Sept. Japan Ja	1, 99,40 pt. 90 pt. 125 ct. 12	ention Unit Tel Marx List (1000)11 list Cortespor Cil 144 Cil Corollis Growth 5 t 74.43 FM 43-27 15-4222 M Growth 5 t 44.59 4 57-47 47-42 List (1000) Growth 5 t 14.59 4 57-47 47-47-18 16 E
Asset & Earning	Income   1881-18   91.21   94.33   94.51   37.53   95.53   9	with Acc	St Vincent US Gerb. 3732-76 52 76 65 4 691-0 021.01 Hamthre Geserall Famil Myrs Lbd (2,000)H Amerika Admin, 5 Ryleigh Rd, Hautto, Brentwood, Esser Esseries (077/2070) Property Starte	Index   Inde	4 F1 24-9.73 69.73 71_951-0.07 Pt.00 51 loom Get 24-1.01_7 101_7 107_91-1.013_72 bt Green 24-1.01_7 101_7 107_91-1.013_72 bt Green 24-1.01_7 101_7 101_91_91_91_91_91_91_91_91_91_91_91_91_91	Treet Paris Marrie Ltd (1600) 20 14 15 15 15 15 15 15 15 15 15 15 15 15 15
Capital Reserve Acc. 0179.62 79.75 - 0013.76 Condity & Envery. 691.49 91.44-918.64 71 19   First hist, Featbach St, Indices EGS 01-3 European Capital 6 776.65 770.55 775.79 - 010 19 9 General 6 110.0 151.06 1627 - 25.277 Leaba 6 58.16 88.16 94.27 - 22.50 00 Massertinst 7 170.67 70.67 77.59 - 1.51 251 UK Growth Acc. 6170.67 10.67 77.59 - 1.51 251 UK Growth Acc. 6170.67 10.67 70.67 1	Bockmaster Mangont Co Ltd (1200)H Brit Fr	Acr	UK Counth	Try	15.00 75.00 77.67 - 150.50 Estuden	ter to be a series of the seri
Ahrtrust Management Litt (1000)H  Ahrtrust Management Litt (1000)H  10 Queen Fernac, Aberdren 489 10.1 (224 633070 00 America 5115 9 115 9 115 9 120 1 10 Finbory Clincia, London, EC2M 700 01.374 6801 00 Fernadowy 5126 0 1 10 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0.0.3 License Unitati 300.9 419.6 449.2 113.2 FMS 20.0.3 Income 1970 179.2 179.2 179.3 179	Investment Magant Ltd (0905)F Stret, Landon ECZ M20P 9708 45322 F Pfolio 275.85 75.03e 76.40 - 177.15 et Pfolio 269.24 69.24 71.01 - 0.52.96 vestment Managers Ltd (1200)H	High income	2015.4 277.0 290.0 40.57.2 28100000000000000000000000000000000000	mail Managers 1.1st C16000F High res High res Link res St. Exta 988 C162 C162 C162 C163 C163 C163 C163 C163 C163 C163 C163	201 10 10 10 10 10 10 10 10 10 10 10 10 1
Do Accum	Barrage Unit Tst Mangent Ltd (1995)F Europe 117 Fescherch St. Louise ECIM 54L 01-480/7216 St. St. Dat 611 & FT. 14121-26 St. 25 St. 9840 051L 90 Do 646 354210 CCL Unit Trusts Ltd (1100)F	st George St. Elegaer  641-3229132  860 Historia 427-30 22.536 27.377-074 1.2  870	Admin 5 Rayleigh Road, Button, Brentwood, Essex (Accum U Enquirles 02/7 22/300 Dealing 02/7 261010 Gilk know	143.12 43.0 46.6 0.6 1.79 Gasffrey letts 547.07 47.8 80.9 0.7 1.79 16 Southam	Markey Unit Mars Ltd (1200)F Westlands Westlands William William William William Westland 25 Presting	h America 1977-197 1978-2072-20 1980-20 19
UK Creath. 5 13 2 69 3 2 69 3 7 6 64 6 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	12.62 Resover 7st	HDI 454 57 55 45 58 99 029 3.5	General Units	Table 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	mm. 34, 155.4 188.4 144.2 4.9 8.5 introd; 1.0 1.4 1.4 1.5 1.5 1.4 1.5 1.4 1.5 1.4 1.5 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	11 11 11 11 11 11 11 11 11 11 11 11 11
AEtna Unit Trusts Ltd (3.600)F  AEtna Move, 2-12 Pertaorilir Road, London, 81 936  600 181766  Europea Growth \$105 7 105 7 1133-0110 70 1800 1800 1800 1800 1800 1800 18	7.71.57 125 Kigh Kolbern, London WCIV 6PY 01-747,1148 America 13 37 55 America — \$12.16 52.17 \$5.50 10.10.40 America 14 1.68 C5 International — \$10.57 65.7 53.00 — 21 America 14 1.00 55 Appar — \$10.57 10.57 11.24 -1.00.44 America 17 1.71 C5 Portfolin ice \$1.35 19.4 59.94 10.377 -0.510 42.12 Extension	Between Declares 0800 41-4161 102 - 3-9 1102 - 102 3 102 4 420 0 5 97 104 0 5 9 127 93 37 92 27 94 40 0 5 93 105 105 1 5 9 127 93 37 92 27 94 40 0 5 93 105 105 105 105 104 104 105 105 105 105 105 105 105 105 105 104 105 105 105 105 105 105 105 105 105 105	Smaller Can Div. 54, 1522 10.2 24 17.16 6 - 0.4614 69 00 (Jaccam U Pref & Sift	mikel 94-05 (4-0,1 715, -1-51, 73) Per Explanation of the State of the		Tyt Mingret Ltd (1200)F mosts Portyments 1215 3 114 3 127,7-020144- min 1215 3 114 3 127,7-020144- min 1215 121 9 128,7-020146- min 100 1 102 in 108,6-120148
Exempt	1/1/13 Do Ire Accum	Leg U 3-, 37.66 37.50 39.50 20.10 10.1	international 5 to 149.1 149.1 159.6   1201.06 Chardron World Wide Aug 19.5 to 455.2 465.2 504.9 (2)17.76 (Account Decrees Frank Australian	Pends   10   104.7   11.06 Aren Equity   104.7   11.06 Aren Equity   104.7   11.06 Aren Equity   11.06 KM Scher	S. Manchette 12 247 004-714 5089 1000-714 5089 1000-714 5089 1000-715 5089 10000-715 5089 10000-715 5089 10000-715 5089 10000-715 5089 10000-7	100 100 100 100 100 100 100 100 100 100
Access United	520.28 Globala	ps & Colonial Unit Magnet (1280)F see Poustney K)II, ECAROBA 01-623,4680	Amer Smaller (r) 51, 41, 21, 41, 21, 44, 94, 9, 1910 (0) 1 Session	100 10 40 10 42 75 2074 25 (Acres Hell	54 40.97 41.60 44.37 4.62 Exempt 0  5. 10.9 102.0 108.7 0.20 6 Exempt 0  5. 100.9 102.0 108.7 0.20 6 Exempt 0  5. 100.9 102.0 108.7 0.20 96 Exempt 0  5. 40.0 6.105.7 112.2 40.20 96 Exempt 0	histi
htb Amer Guth	James Capel Unit Tst Mingt Ltd (1535)F Fined In Proceedings of the Process of the	a hr	Disnet Fands, 23-155.8 255.8 at 184.2 -0.56 4.55 Informe & Informatic & Informatic & Informe & Informatic & Inform	. South 639-75 al. nontics 32 4-413-86 gift, 6 f - 1, and 1 f - 1, and	act - 5.4 (2.7 b 4.7 a 5.4 a 5	. Prosp. Crosp. (09053H pr. Pd.), Prosp. Color RM 138 pr. Pd., Introd RM 138 pr. Pd. (1907) Pr. Pd. Pr. Pd. Pd. Pd. Pd. Pd. Pd. Pd. Pd. Pd. Pd
UK Growth	1 00 Intl Spec Sits 544812 4832 5156 4511 99 Framily 31 Inth American 541218.3 236.5 252.4-3.612.26 American 541218.3 236.5 252.4-3.612.26 American 541218.3 236.5 252.4-3.612.26 American 541218.3 4832 51.56	Ner Co's	Hexagon Services Ltd (0905)F	MALS brough Margy - see FMS towart Mags. Superport	54 65.44 66.94 71.76 -0.2 0.07 European 04 - 54 66.34 64.69 74.73 -0.20 0.07 European 05 - 54 51.65 52.2 34.65 -0.2 2.07 European 07 - 54 51.65 52.2 34.65 -0.2 34.65 European 07 - 54 51.65 52.2 34.65 European 07	G 452.14 57.45 68.45 - 0.414.45
Allied Dumbar Unit Tets PLC (1600)F  Allied Dumbar Centre, Sendon, SN) 1EL  Dealing 0793 &1036  First Barrose	30 00 European Gerik 21 - 51, 1932 1932 1935	Tal	Figuritie Cali Aug 31. S 37.63 17.63 18.77	54/38.97 39.78 42.271-034/1.34 Wational	77 53 125.0 127.0 129.7 (-25)237 Hap Yield Res 53 125.0 127.0 129.7 (-25)237 Hap Yield Res 17 53 127.5 129.0 202.6 (-18)5.07 Hap Yield Res 18 7 - 53,147.4 12.2 46.00 1212.00 Hap Yield Res 18 7 - 53,147.4 12.2 46.00 1212.00 Hap Yield Res 19 7 - 53,147.4 12.2 42.0 12.3 12.3 12.3 12.3 12.3 12.3 12.3 12.3	13
Record Trests   Record Trest	Cinco inc Aug 11 K. 3168.6 168.6 172.7 (-129)5.0 (Accomp. 10.1 Accomp. 10.2 Accomp. 10.2 Accomp. 10.2 Accomp. 10.2 Accomp. 10.1 Accomp. 10.2 Accomp. 10.1 Accomp.	Julio	Fire East 9 54, 134.6 134.6 133.9 27 13.57 "Mikelyil Financial 40.02 9.012 3.72 - 4.57.6 "Seanty Citt 6.7 rd 10.0 rd 1	(2)	543.7 565.2 590.6 5.00 L26 Scottisher 5378.7 597.7 414.6 1.40 3.42 Select let 525.0 231.6 244.4 200 3.42 Smaller 0 525.0 231.6 244.4 200 3.42 Smaller 0 525.0 231.6 244.4 200 3.42 Smaller 0	*
American   Sec.   Sec	Mag Retirement   322.29   22.29   23.56   -0.21   -0.25   -0	lattorne	Smaller Cos		384,29 85.21 89,701-0.17(1.59 0 Costy S	1 197 1978 1978 1971 1971 1971 1971 1971
Special of Trists Asset Value	905)F Admin, Unk Trust Accounting & Mingt 20 Combail Assure, London ECZ Friend 18,4400 Engaints & Deating 01-588-0064 Ext	arie S, Laudon W1 01-493-3211 st 01-442 143.4 053.4 057 st Provident Unit Trusts (1000)F ired. Salishers, Wiles. Admic 0722 411411 y Dist. 522.66 224.96 238.30-2713.01 00 Dist. 522.54.3 54.73-39.01-0310.64	American Cap	y Fined Managers Life (1800)M  4 Portant  10 -280 2050  For Factor  10 -280 2050  For Easter  10	, Laydon, ECZY SEH. 01-20 9120 Entrocan 913 43.534 43.534 43.549 4.221   Entrocan 913 54.3534 43.549 4.221   Entrocan 913 54.354 13.245	on Acc
I.G INOEX LTO, 9-11 GROSVENOR GARDENS, LONDON SWIW ( Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO	Bridge income	144, D51	Separty & Ger	ter Calp \$40.88 40.88 43.49 -0.912.83 252 High No. 2541.47 41.97 44.65 -0.912.83 Except \$111.5 111.6 1118.8 40.402.38 Except \$117.8 117.9 125.4 141.402.38 Except \$117.8 117.9 125.4 141.402.38 Except	Born, WCLV / Eb.  9057 May 10 - 405 8441 Ed. 4777  9057 4849 1903 1864 - 1.2 78  9157 4869 1903 1864 - 1.2 78  1869 1903 1864 1864 - 1.2 78  1869 1903 1864 1865 - 1.2 78  1869 1903 1864 1865 1865 1865 1865 1866 1866 1866 1866	a Amicable Ut Ti Maya Lin (1200)F accest Sr., Glasson 6109 091 248 2323 accest Sr., Glasson 6109 091 248 2323 accest Sr., Glasson 610 197, 61 - 1100 accest Sr., G
FT 30 FTSE 100 WALL STREET Sep. 1380/1389 -19 Sep. 1716/1726 -25 Sep. 1994/2006 - Dec. 1395/1404 -20 Dec. 1735/1745 -25 Dec. 2012/2024 -	Allas Mingd Gwih 12 23 0 22 30 6 132 0.80 Steward Dragon Growth 12 24 21 29 21 22 56 132 0.80 Steward Dragon Growth 12 24 21 29 21 22 576 10.06 1.70 De Acos Egolt High Ive	F	Jacomo 7 mole	nfts) 5 477.2 481. Lu 511.9 -7.992.47  181.9 8.18.96.82.3 9679.05 Permireller  181.9 1.19.4 107.4 107.6 90.19.35 18-19 Smill  181.2 107.4 107.6 90.19.35 18-19 Smill  182.2 10.42.3 45.83 98.07 Permireller  182.3 43.4 40.11 9270.77 Permireller  183.4 40.11 9270.77 Permireller	Administration Ltd (1708)F American and S. Landon WCLR 492. 0222 494845 European, 2011 150 22 67.01-4790.00 Technolog thait Tet Massact (1200)F	1 Ac 2 Ac
Prices taken at 5pm and change is from previous close at 9pm	S. Helen's T. Hedenbeth 6030 300 Dentition 01 404 0010 Capital C	c Orscent, Edinburgh.  c Orscent, Edinburgh.  1356.1 136.1 145.61-1.90.49  if Mantagiers Ltd (1.200)H  r, 8 Devershire Sq. London ECZM 4Y1  575  Dasling J01.626 9431  no	Arrer Smile Cos	1257 6 257 6 273 8 1 901 74 ent Emerging	ery 5 (144.16 149.18 153.14 1.321.69	we are 23 23 24 25 25 35 31 31 5 35 1 1 1 1 1 1 1 1 1 1 1 1
	CU income 552.76 52.76 56.13 (a) 3.65 Exempt	2200 50 208 50±219 101-1 9012 10	European	hid	nit 7st Merges Ltd (1000)H Scuttish tate Landon EC2 109-247.7944/7 Scuttish tate Lando	Mutual Inv Magrs LI (1009)F   Statistic Observed   1041-2486100   Statistic Observed   1041-2486100   Statistic Observed   1041-252-30
	Di Cita di Profini 50 40.05 45.56 48.33 50 18.35 UK Ser. 50 19 19 19 19 19 19 19 19 19 19 19 19 19	ne — s	(Across Units)5-1283.4 283.4 201.4 -4.9 0.00 Ecologr Jasanes Special _5-137.7 137.7 14851-0.00 Ecologr 4 (Across Units)5-124.4 146.4 149.317_0.04 Baster Across5-124.7 146.7 15.07-7_17_5 30 are s. 1 Pacific5-124.7 147.1 154.1 2-3 0.35 4.0 MK theory of the control of the con	Altan Unit Trust Magra Ltd (1990)	\$115.6 117.8 125.77 1.06.20 Far taster 1112.1 114.0 127.6 - 13.8 27 1.05.00 Far taster 142.4 47.65.5 50.00 50.11 Far the Arm 260.00 60.21 55.37 1.05 1.11 Far the Arm 25116.1 117.2 15.37 1.05 1.11 Far the Arm 25116.1 117.2 15.1 1.12 1.11 Far the Arm 25116.1 117.2 15.37 1.05 1.11 Far the Arm 25116.1 117.2 11.12 1	55
JOTTER PAI	Hys locome	CSR 8A 01-423 1212 onty-01-423 1212 onty-01-23 5885 ctor Soviest: Freehore 0600-289 336 ft 7rasts county	LAS Unit Tst Megrs Ltd (1900)H  93 George St, Edinburgh EH2 J.L  231-225 4908  242 Eyropean 55 36, 41 36, 91 39 27 1-6, 51 British Tst	rets	mad, London W12 BPG 01-749 91 11 65t Andre	w Se, Edinburgh EH2 27/A 031 58 234 1727 with Acc. 46 18-51 6.47 772 0-102 139 with inc. 46 18-38 16-57 77 4-0 102 139 with inc. 46 18-38 16-57 77 4-0 102 139 a lya. 46 17-57 17.88 2.4 48-80 1.45 a lya. 46 18-54 17.69 2.40 -80 61.45 mire Acc. 46 18-54 17.69 2.40 -80 61.45 mire Inc. 47 71 18 10 5 2.32 -0.98 6.16 alona Acc. 5 15-84 13-93 16-81 18-30 alona Acc. 5 15-84 13-93 16-81 18-30 alona Acc. 5 15-84 13-93 16-81 18-30
CROSSWORD  No. 6,723 Set by DINMUTZ	Consistent Unit Tst Mingt Ca Ltd (1208) UK Sei 0 20 Copusii Avence, London ECZR 7PA 01 508 6064 UK Smal	958.23 58.23 62.16 0.16 59 100 100 100 100 100 100 100 100 100 100	boll Growth		And 7 1062 Tito Jan hon Scottiste	Widows Fand Magm (0659)H
3 4 5 6 7	International log \$52.23 \$2.56 \$5.91 -0.49 27 International log \$52.86 \$3.19 \$6.58 -0.50 2.7 Constant Property 50 to \$34.92 34.00 37.02 -0.51 3.6 Frontier Property 50 Acc \$34.94 35.47 37.73 -0.51 3.6 Gobal	G163 36 167 36 167 00 144 0 77	Laurentian Unit Tst Moport Ltd (1200H) Account in 16 Bockingtum Gate, London SW1. 01-834-6626 Intil High S Count I Treet. 31-85.6 143.5 134.9 1-15.2 29 Chem Unit High Iscore 36.6 6.66.7 71.35-462.5 20 Japan 6.7 High Iscore 35.6 6.6 6.6 7.7 1-661.2 Vectors to Unitersity Justice S. 53-47.8 14.7 28.5 506-4.0 18.0 Japan 6.7 1.4 1.4 1.5 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.4 1.5 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	1994 1997 212 4 141 195 White Bend 10 1 1964 2005 212 4 141 195 White Bend R UT54 60.0 48.0 5 12 6 67 11.8 White Bend 8 UT54 60.0 48.0 5 196 67 11.8 White Bend 10 1 197 197 197 197 197 197 197 197 197 1	ne 4511 5145 33,74 4,94 479 Per Enroya No: 4512 5214 54,69 44 79 Per Enroya Hutual Unit 7st Magra Ltd (0905)81 Per Practit ne, London, ECZR 68A 01,568,3963 Per Giobal 10,568,3963 Per Giobal	### 1295 1275 138-011.47
10 12	Crown Unit Tst Services Ltd (1200)H Intl Ser 0	2.4 Gth 170 225 70 226 77 5 22 - 4 2 2 3 2 5 4 5 4 5 4 5 4 5 4 5 4 5 4 5 4 5 4 5	Lazard Unit Tst Minjers Ltd (1200) - Groups (M. 1200) - Groups (M. 120	779 1036 0.01 Pu 00306 0.01 Pu 003006 0 0.01 Pu 003006	ish S 44.41 44.41 47.241-27(1.00) American i Helburn Unit Tsts Ltd (1.445)H American i Helburn Unit (1.45) 1.00 478 3377 European 6 European S European S European S	Funds Report Ltd (1989) 1, Luckus ECLY 2AY 1-420 6021 1-420 6425 1
13 14 0 15 0	inv Treat Fd 544 25 12 25 12 26 79 625 75 European Factor Sel Mayor Int Equity 544 25 12 25 72 60 2620 - 63 0 European Mayor Int Equity 544 26 77 26.45 - 621 26 4 For Earl Rejact, Serrey, RN2 881.  European Erowith 4	1944.5 44.6 47.34 422.22 1954	Equity Dist	St. 44.56 45.56 47.96 4.07 4.02 Helburg Court	m Co _643.83 43.83 46.68 -0.31.0.05 Small Co's eec6132.39 133.63-6143.13 1.590.04 Special Str	
16 17 18 5 19	9 The Creacest Plymonth Pt 1 348 0752 473873 Japan &	19 C75 P	Gibbal Growth	bire Square, Landon, EC2M 4YR 01-626-3434 Hollorn Special Landon, EC2M 6YR 01-626-3434 Hollorn UK Gro	Appendent Co Ltd (0905)F	West, 7213 213 221-18013 WINDIAMSON Unit Tot May (1000)F WINDIAMSON Unit Tot May (1000)F WINDIAMSON Unit Tot May (1000)F WINDIAMSON Unit Tot May (1000)F WINDIAMSON UNIT TOT WINDIAMSON UNIT TO WINDIAMSON UNIT T
20 21 22	Dimensiona) Tet Mangart Ltd (0905)F Flori for	ind City _ 0,990 99,90 100,61-0.51 - mst 9	Lioyds Bk Unit Tst Mars Ltd (1.096)F PO Bor 63, Costiers, Kent HE4 4YB	Generally St. 100 100 100 100 100 100 100 100 100 10	att Tst Magrs 124 (1200)F	e Unit 73t Mages List (199); sich 8t, Samesand: 02 29822 sich 8t, Samesand: 02 29822 5 28 48 55, 74 42 24 25 75 22 5 27 45 44 13 12 44 25 13 25 14 25 13 25 14 25 13 25 14 25 15
25 26	Dac Inc Airy 11 \$141.3 148 2 156.0 \$12.0 Global Do Accum Aug 11 \$264.8 277.5 292.1 \$12.0 Global Do Accum Aug 11 \$264.8 277.5 292.1 \$12.0 Global State Commenced Fund Manut Ltd (2.400)F \$12.0 Glob	Asset Management (1200)F ring Management Ltd ver's Place, London SW1 01-493 9990	Secretary 157 - 12	or	ntt Niges, 4.54 (1.000)M 7. Tydrige Weits, Keat. 0092 510035 1. 1910 1947 205.5 2-10.55 1. 1915 217.5 107.5 10.255 1. 1915 217.5 107.5 10.255 1. 1915 217.5 107.5 10.255 1. 1915 217.5 107	Life Tst Wignet Ltd (06598 Edinburd 112 202 12.00 25.05 27.00 25.00 27.00 25.00 10.00 25.00 25.00 27.00 25.00 10.00 25.00 25.00 12.00 12.00 10.00 12.00 25.00 25.00 12.00 10.00 12.00 25.00 12.00 12.00 10.00 12.00 25.00 12.00 12.00 10.00 12.00
ACROSS 1 Lesser Greek river bird (6) 4 Hermitage, for example, to employ mother outside (6) 5 Body of soldiers takes a y to make agreement (5) 6 Great stores of rope? A for fresh order (7)	Durnteril Trust Mingart Ltd (1600F 943 (Junes's) Lower SWA Ltf (1400F Durneril Outh 6th - 5, 47 27 47 27 50 29 - 0.015.50 CMM Prof Durneril Ind 6th - 5, 30 29 3 1.3 33.34 4.221.60 CAM Prof Durneril Ind 6th - 5, 30 29 3 1.3 33.34 4.221.60 CAM Prof Durneril Metter 6th - 3 26 07 38 07 40.50 - 0.122.00 CAM Prof Durneril Metter 6th - 3 26 07 38 07 40.50 - 0.122.00 CAM Prof Durneril Sets Erg 6th 32 0.02 25 34.31 - 0.015.50 CAM Prof	Est Inc 2 119.0 121.4 125.1 Est Nov. 2 119.8 127.4 125.1 Est Nov. 2 119.8 127.4 125.1 1.40 127.4 125.1 1.40 127.4 125.1 - 1.40 127.4 1	Security	34 46.64 46.64 50.02 1440.27 Rnck Assat 51 354 16.74 16.72 10.71	Bigart (Unit Treet) Ltd (0905); Gik Z Faii es, Frost Street, Beston 1) yes (EC-7712 (091) 215 0077 His America per 5 47.31 47.89 50.941 [2.45 Far East Ac Earthday A.	10 Act 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
6 Pâtés for sumptuous meals (7) 9 Tower of strength in the galleries (3-4) 11 Regionally distributed flower (6-4) 7 Fellow to court girl we this instrument? (9) 10 Inclinometer made by D kins & Co? (3-6) 11 Reading between the lift (4-5)	American	n Hoase, 4 Battle Bridge Lam, London SCI, 1976.  Gerth	Da (Aggarri) \$117.22 117.22 124.27 -0.01 American &	COT = 3-1, 50.25 of 0.25 of 6.05 of 0.30	25 1 25 1 25 1 25 1 25 1 25 1 25 1 25 1	204 204 204 207 207 207 207 207 207 207 207 207 207
12 Highest position of showy violinist (4) 13 Fast horse taking day off from Redcar excitement (5) 14 Well-known climber, I scale 15 One spelling Shelley's enciser of ghosts? (9) 17 Extra premium required dockers' work (7) 19 Smoke for Victor in bed (1)	European Gerdhy 5124 1 124 2 122 1-04051 6Least L Far East Cr 5362 7 2628 279.6 -5 20.04 Gerdhy 7) 1000me 5116 8 1170 123 4-045 72 Gestal.	e Unit 7st Mingest Ltd (1700)F me, Londox EC3807 01-6211212   	GUIDE TO UNIT TRUST  The data included under the Authorised section of the Februay expanded to improve the service to readers and in SUITIAL CHARGES.	T PRICING	#10 #20 7730 455 - Value   1	32-1 20-1 20-0 30.00  31 35-1 20-1 20-0 20-0 20-0 20-0 20-0 20-0 20
Mt Tumbledown (6)  16 Pitman, sick inside, became a fancy-goods dealer (8)  18 Money reported in hiding-place (5)  20 Silvery headed a countable	OT	0 Unit 7st Mingre (1000)F 6 P , Southempton SD9 1NY 6783212000 6wtb5\21835 1835 19.59\61112.03 wh5\21835 1835 19.59\6112.03 5\41842 1842 0 1816 1-10100 5\41842 1842 0 1847 1762 -1.71340 75\42080 20 79\42327-0115.00	being expanded @ improve the service to readers and its INITIAL CHARGES. These represent the marketing, administrative and other purchasers. These charges are included in the price who OFFER PRICE The price at which onlist may be bought. BUD PRICE. The price at which units may be sold. CANCELLATION PRICE.	costs which have to be paid by new on the customer buys units.  Denote the customer buys units.  Denote the customer buys units.  Denote the customer buys units.	151737 775 300 400   Burnishin	4 1507 1500 471 251 5 1507 1500 150 172 174 1507 1500 150 172 174 1507 1500 150 172 174 1507 1500 150 150 172 174 1507 1507 1507 1507 1507 1507 1507 1507
say, in the city (4)  21 Tailer coal-scuttle is contemporary (10)  23 Hyde-bouod, you say?  Change up-traini (7)	2 Contact September 5, 12 (2) (2) (2) (2) (2) (3) (3) (4) (4) (4) (4) (5) (4) (4) (6) (6) (6) (6) (6) (6) (6) (6) (6) (6	Managers Limited (1240)H Ili 879 Astilletina, ECRI 24E 01-589-5117 merican 5 82 23 82 23 87 6 -04820 95 merican 5 82 23 82 23 87 6 -04820 95 merilan 58 45 90 45 90 45 90 -0285 64 merilan 58 45 90 45 90 45 90 90 90 90 90 90 90 90 90 90 90 90 90	The maximum spread between the offer and bid prices in to by the government. In practice, only trust managers our result, the bid price is often set well above the minimum pramocliation price in the table. However the bid price make in circumstances in which there is a large excess or the price in circumstances in which there is a large excess.	ofe a much narrower spread: As a permissible price which is called the light be moved to the cancellation of sellers of units over buyers.  Reyal Bank 7: Ches Victoria	of Committe Francis (1500)F Sum Life Fin St. London ECAY 4DE 01-489 2578 101, Camar	T Canada Unit Mere Ltd (0905)M Lateritary, Hants 0000 55575 5-1 7-21 7-82 19-92 11-57-4114-52 6-1 5-4 50-45 22-60 15-7-1114-52 100 5-100-10 20-00 21-50-1-5114-50 100 5-100-10 21-50-1-5114-50 100 5-100-10 21-50-1-51
24 Wasting an award (7) 25 Get into middle gear (6) 26 Boxes at lightweight? (6) DOWN  THE MARIANT ARTHER NATIONAL ARTHER NATI	Company   Comp	n Royal Ex Unit Migra Ltd (1200H) humps London (CSV SL) 60-6889903 P 254 525 25 25 25 3 40 41 21 ci 25 25 25 25 25 3 40 41 21 ci 25 25 25 25 25 25 25 25 25 25 25 25 25	The time shown 2 longside the fund manager's name is the challing prices are normally set unless another time is indicatively an indication of the same. The symbols are as follows: 9 1400 toors: 9 - 1401 to 1706 hours: 9 - 1701 to 444 HISTORIC PRICING The letter if desoites that prices are set on a historic basis been an intervening operation revestablem, investors can as the prices appearing in the newspaper which have been so value.	5. This means that, unless there has:		140.51.72.72.72.11.10.10
1 The sea-perch, an easy catch? (5) 2 Pacific-like from cocaine extract (7) 3 Warbler whose lakeside habitat withered? (54)	No.	927.7 282.9 26 1.2 11 26 that these 90.22 90.94 96 112 25 542 117 90.60 107.64 112 26 1.486.40 transpenent Lift (1600)F 5-90.1 107.25 31.25 37.95 0.48	FURWARD PROCING The letter F denotes that prices are set on a forward basis definite price in advance of the purchase or sale being carries newspaper show the prices 2t which deals were carried Other explanatory adves are constained to the Last othersent	is so that investors can be given no ried out. The prices appearing in the out yesterday, of the FT Unit Trust Information fine facility for the FT Unit Trust Information with the Access with the Out.	Section 1 Pe 2 OUE - Processor 2025 37 Sem Income 2025 37 September 2025 37 Septembe	Acc. 45 0.1 15 113 45 15 17 00 16 16 17 17 17 17 17 17 17 17 17 17 17 17 17

مِلَدًا منه الأصل

 $\approx 8 \pm 0.025 A_{\odot}$ 

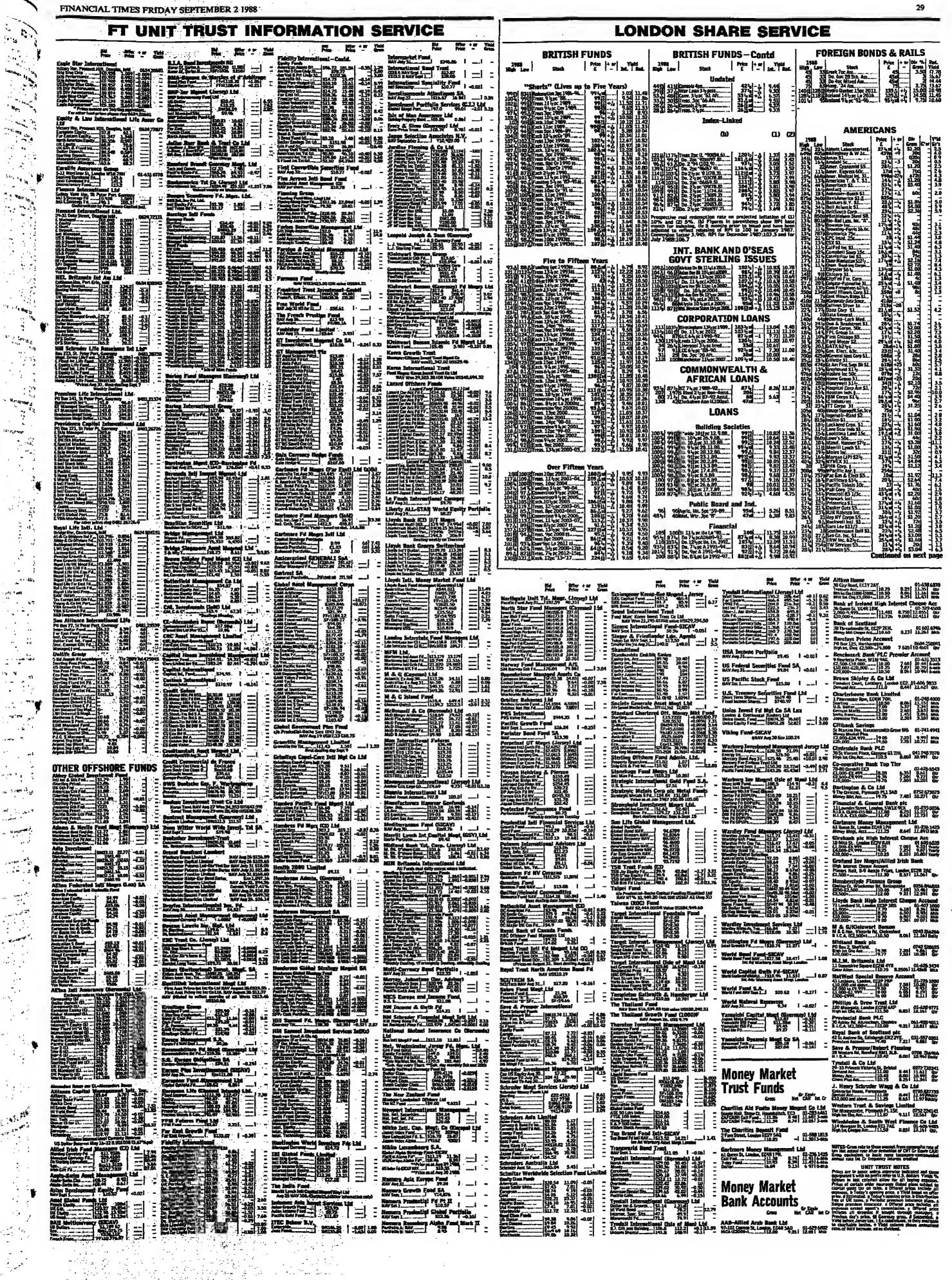
graph of

~ · '!



### FT UNIT TRUST INFORMATION SERVICE Switss Life Pen Tet Man Ca Ltd (1000)H. 90-101 London Rd, Sepennals Eastly Dist. 312.6 317.3 395.0 4-35.11 Eastly Dist. 312.6 317.3 395.0 4-35.11 Eastly Dist. 312.6 317.3 395.0 4-35.11 Eastly Rds. 312.6 317.3 395.0 4-35.11 Eastly Rds. 312.6 317.5 481.0 -37.11 Eastly Rds. 312.6 317.5 481.0 -37.12 Eastly Rds. 340.1 487.5 481.0 -37.12 Eastly Rds. 340.1 481.5 116.6 126.8 -37.12 Eastly Rds. 320.1 20.6 224.1 -6.3 82.2 Flact tin Ass. 320.1 20.6 224.1 -6.3 82.2 Flact tin Ass. 320.1 20.6 224.1 -6.3 82.2 Eastly Rds. 320.1 20.6 224.1 -6.3 82.2 Eastly Rds. 320.1 20.6 224.1 -6.3 82.2 Eastly Rds. 340.1 20.6 224.1 -6.3 82.2 Eastly Rds. 340.1 20.6 224.1 -6.3 82.2 Eastly Rds. 340.2 32.2 Eastly Rds. 340.2 32.2 Eastly Rds. 340.2 32.2 Eastly Rds. 340.2 340.2 Eastly Rds. 340.2 -Can 137.4 146.3 146.3 177.6 177.6 177.6 126.7 1 113.1 137.6 200.5 2508.1 508.1 508.1 508.1 237.9 153.2 237.9 338.7 1611.7 79.9 83.3 Margin Panis (201) Alapyrin Linearctoric UF Magamit Marring Langus Panis Marring Lang -0855 -0855 -0776 -1776 -0.03 9020 — 150 890.0 — 150 124.9 —15 262 erance Co Ltd | Sec. | London A'deen & Hthm. Mtl. Assur. Ltd +111 7 77 770 170 1707 1977 1977 1977 Europeina 72.0 8 Functi Instruction 18.3 7 Deposite over 2 22 Deposite Continuental Life Insurance PLC 64/70 Righ St. Croydon CRO 9001 Equato Acc. MM Figure Aug 6 198 0 Londers Life 100 Temple St, Bristol BS1 6EA American Equity 524 Fixed Int. 242 Fixed In 0272-279179 524 7 242 6 263 4 109 7 351 6 127 4 167 5 110000 1909999 9949999 1909999 94448 316.5 376.5 576.5 165.0 165.0 173.0 215.3 129.0 129.0 129.0 104.0 104.0 105.5 115.5 144444 01-740 7070 408 1 287.8 226.9 191.9 303.1 142.8 184.0 Pen Bidg Sec Age: 96.5 | 101.4 | Pen Bidg Sec Age: 96.9 | 101.9 | General Portfulio Life Ins. Pic General Portfulio Rose, Hurlow, Essex | 116 Familia | Pen Bidg Sec Age | Per Internation Rose | Pen Bidg Sec Age | Pen Bidg 522 0 201 0 199.3 264.7 105.1 209.7 105.1 209.1 105.7 100.1 100.1 100.1 100.1 100.1 100.1 100.1 100.1 100.1 100.1 100.1 100.1 234.5 189.6 78.9 104.2 106.8 40.9 81.3 103.3 107.0 105.0 107.5 0.5260 0306 687766 781.3 267.3 135.8 214.6 128.9 389.5 Taggerbe, Remmant Unit Test Mangt Last (1600)F Remaid Nic. 2 Positio Dock, 024 Tr. American Gevt. 3-1, 31 Tr. American Gevt. 3-1, 32 Tr. American Gevt. 3-1, 103.4 104.0 104.3 104.7 100.9 106.9 204.0 Active and the factor of the f 9999777999 9999777999 Street, London EC2 01-686 435. st 31 ..... 4218.9 221.34 232.9 -20.7 5.02 Single State of the state of th -0.1 -0.3 -0.1 -0.1 -0.1 -0.2 +0.2 272.3 401.8 104.6 1168.2 1787.2 1787.2 1787.2 1787.2 1787.2 102.3 107.4 144.7 146.0 ### A 0737 242424 +0.2 -0.5 -0.1 -0.1 -0.1 99.9 94.5 114.5 126.2 90.8 89.2 103.8 137.4 111.8 111.4

مِلَدًا عنه الأصل



	LONDON SHARE SERVICE	
3313 26 US West 233 4 3 3 3 3 7 4 4 83 8 1 1 2 1 3 2 3 4 1 4 0 119 2 1 5 1 6 4 1 2 9 Whitppel S 5 5 293 4 5 1 6 4 1 2 9 Whitppel S 5 5 293 4 5 1 6 4 1 2 9 Whitppel S 5 5 293 4 5 1 6 4 1 2 9 Whitppel S 5 5 293 4 5 1 6 4 1 2 9 Whitppel S 5 5 293 4 5 1 5 1 6 4 1 5 1 6 4 1 5 1 6 9 Whitppel S 5 5 293 4 5 1 6 5 8 8 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	1983   1985	INDUSTRIALS (Miscel.)—Contd  1968  1968  1968  1971  1428ary Webs or 5a.  1971  1428ary Webs or 5a.  1972  1428ary Webs or 5a.  1974  1428ary Webs or 5a.  1975  1428ary Webs or 5a.  1429  1429ary Webs or 5a.  1439ary Webs or 5a.  1448ary Webs or 5a.  1459ary Webs or 5a.  1479  1489ary Webs or 5a.  1
170  170  180  Gold Corp   285  5   - 260  231  231  235  150  237  311  43  200  200  200  200  200  200  200  20	279 138 study 16 study 16 study 179 -5	25 216 Brammer 20.
150 155-158 Directiff: 8 149 15:4 28 44 9.5 172 1195-8atellife Speakman, 9 121 20 3.5 2.2 14.1 595 501 Bandan Biscourt St. 8 15 10.8 51 1	851   485f entire You	172Colored   10c.
Hire Purchase, Leasing, etc.  212 155Angli Leasing 10p, v. 134  213 155CLF 50p, v. 157 9 11.74 8.5 15 8.6  214 150CLF 50p, v. 157 9 11.74 8.5 15 8.6  215 10 10 50c 64 pc 0 P 150 v. 157 9 11.75 2.1 5.2 12.0  249 1530 2 be provided by the p	\$211   SeShith Telecon	195   156   156   156   168   178
454 551 Wolv & Oudley B 468 -3 15 69 4 11 1 9 16.9 2007 levels like 30 05.8 37 -4 076 1.711 1 5.51 2007 levels like 3 50 v 515 9 1 18 2.4 31.7 25 2007 lev Art Dev. 50. 8 234 -5 6.8 25 3.9 15.9 460 318 Do Nov. V. 50p. w 445 9 21 1.8 2.4 31.7 25 2707 levels like 3 50 p. 8 25 3.9 15.9 460 318 Do Nov. V. 50p. w 445 9 21 1.8 2.8 27.4 2707 levels like 3 50 p. 8 25 3.9 15.9 15.9 15.9 15.9 15.9 15.9 15.9 15	100210 Comp. 190	140

مِلدًا منه الأصل

مِلَذَا مِنْ الْأَصِلَ

FINANCIAL TIMES FRIDAY SEPTEMBER 2 1988	LONDON SHARE SERVICE	31
LEISURE-Contd PAPER, PRINTING.	TEXTILES—Contd   TRUSTS, FIN. AND—Contd	OIL AND GAS - Contd   MINES - Contd
LEISURE — Control PAPER, PRINTING,  1982  1982  1983  1984  1985  1986	1980   Stack   Price   -	4 29Pan Pacific Pet. 24
12   17   18   17   18   17   18   17   18   18	193   193   193   195	13
LEISURE - Contid	TEXTILES — Contd  TRUSTS, FIN.  AND — Contd  TRU	OVERSEAS TRADERS    1
MOTORS, AIRCRAFT TRADES	41 34Brit, Emp. Secs, 10p. y	126   77      77
Companiests   24   3   3   4   4   5   6   7   2   4   4   5   6   7   2   4   5   7   5   7   5   7   5   7   5   7   5   7   6   7   7   7   7   7   7   7   7	86 63/Cortil Assets 1s.755. V 80 -1 0.1 12 0.2   68/Assoc-Herriques 5 V 70/Astantic Secs. V 70/Astantic	MINES  66   Sellew 3p.   46     (2.12   2.14   4.14   2.3   4.6   4.2   4.4   4.3   4.5   4.
491 31.54ppleyard	82 66Elect & 66 65 5	231 +1 078c   950   0310c   953   22   185tats Hides. 1951   23   185tats Hides. 1951   24   24   24   24   24   24   24   2
10   10   10   10   10   10   10   10	226   926   926   927   927   928   118   138   138   138   138   128   928   128	439 Kloot Sold R0.25  514 Southwast 50c
265 1998   1998	13   10   18   216   216   216   217   218   2	Diamenud and Platinum  579 648 langlo am. lm, 50c
180 11	145 kits Heidings	28 24Falcan ZSO. 4 29 19Wankle Col. ZSL 5 29 19Wankle Col. ZSL 5 20 19Ly Zam. Cpr 58 DO 24 21 1012 5 20 19L Zam. Cpr 58 DO 24 21 12 0.0 3.0 diletidentic cover relates to previous diletioned, P.F. availo based on prospectus or other evidence and yield excelled a special payment. I indicated dividend and yield based on merger terms. 2 Dieldend and yield based on prospectus or other editional based on prospe
153 9-00-indused Pearce 100 y 161 2 433 1.1 33 1.05 4 2.5 let. 0 Seas Fritz. y 161 6-50-indused Pearce 100 y 161 2 433 1.1 33 1.05 1.1 30 0.0 ptd, of on 1.0, y 120 33-00-indused Pearce 100 y 161 2.7 y 2.1 4 4 1.2 3.0 2 1.5 0.0 ptd, of on 1.0, y 161 2.2 1.9 3.1 4 9 2.2 1.0 ptd, of one of o	370   M & C Deal Inc. 10p. v   114   15.59   1.011.2   10.1   1	Australians    10  Acom Sensitic 20c   16   -  2   4   5   6   6   6   6   6   6   6   6   6
100   100	Color   Colo	8 39/Central Facinic 39
451 339Sastrol 10p. 6 26.3% 1615 26 52 76 11 379 25 18 11 12 25 31 4.1 8.3 25 31 4.2 8.5 21 18 18 18 25 26 27 18 18 18 25 26 27 18 18 18 25 26 27 18 18 18 25 26 27 18 18 25 26 27 18 25 26 27 18 25 26 27 18 25 26 27 18 25 26 27 18 25 26 27 2	Tolkights & locase line   V   260	62 19-j windependert Res Ltd. 23
463 268/77 Group Sa	Top Warrants   Y   1   -	101 250 Parcint 125c. 619 Parcint 125c. 62 -1 02.5c 7.3 1.3 This service is available to every Company dealt in on Stock 250 Parcint 125c. 82 -1 02.5c 7.3 1.3 This service is available to every Company dealt in on Stock 101 44 Parling May [5:05]. 18 -2 1.4 250 Placer Par. 30:15 1.0 18 -2 114 250 Placer Par. 30:15 211 1.7 235 Presiste 50: 441 -7 015c 2.1 1.7

### FT-ACTUARIES SHARE INDICES

	EQUITY GROUPS	T	hursda	y Sept	ember	1 198	8	Wed Aug 31	Tue Aug 30	Fri Aug 26	Year 2go (approx
	& SUB-SECTIONS	<del>                                     </del>	Γ	Est.	Grass	Est. P/E	Ī		-	<del></del>	-
Fie	gures in parentheses show number of stocks per section	Index No.	Oay's Change %	Earnings Yield% (Max.I	Div. Yield% (Act at (25%)	Ratio (Net)	xd adj. 1988 to date	index No.	index No.	Index No.	index No.
1	CAPITAL GOODS (210)	745.18	-19	10.85	4.30	11.42	17.16	759.34	757.54	772.61	958.9
2	Building Materials (29)	942.05	-2.6	12.14	4.52	19.11	21.41	961.66		973.98	
3	Contracting, Construction (37) Electricals (12)	1478.49	-2.0 -1.4	11.34	3.64	11.50	27.59	1509.33	1384.82	1535.79	1711.2
4	Electricals (12)	2003.57	-2.2	9.12	4.89	13.49	49.65			2095.48	
5	Electronics (31)	1054'21	-1.5	10.63 10.38	3.72	12.08	40.50	1660.58	1660.83	1678.44	
8	Metals and Metal Forming (7)		-1.4	19.62	4.42 4.27	11.92 11.65	9.23	401.15 450.58	399.68 452.92	408.07 465.52	520.7 570.3
9	Matar 13.4)	250 47	-1.9	12.54	5.07	9.20	7.95 6.62	264.48	263.89	270.74	385.5
10	Motors   14) Other industrial Materials (23)	1218 95	-1.7	9.65	4.70	12.40	28.49	1239.93	1244.51	1266.B8	1655.2
źĭ	CON5UMER GROUP (185)	1019.23	-1.5	9.71	3.89	13.61	19.26		1036.45	1051.67	
22	Brewers and Distillers (21)	1057.75	-1.3	11.94	3.85	11.41	20.84		1069.21	1083.01	
25	Food Manufacturing (21)	918.87	-1.8	9.53	4.03	13.38	17.95		935.77	946.22	
26	Food Manufacturing (21) Food Retailing (16) Health and Household (12)	1865,44	-1.7	9.28	3.57	14.22	38,49	1897.09	1907.42	1926.96	2407
27	Health and Household (12)	1764.95	-0.8	7.06	2.78	16.44	18.01	1778,84	1777.65	1784.23	2465.
29	Leisure (30)	1268.75	-1.9	9.75	4.02	13.16	28.32	1293.16	1291.12	1316.48	1375.
31	Packaging & Paper (17)	486.34	-0.5	10.11	4.20	12.69	9.98	488.74	488.83	500.15	683.2
32	Publishing & Printing (18)	3271.92	-1.6	8.73	4.67	14.38	73.53	3326.19	3311.19	3387.42	4716.0
34	Stores (34)	729.13	-2.2	11.39	4.54	11.55	15.08	745.26	752.38	769.66	
35	Textiles   16	537.09	-2.1	12.87	5.08	9.12	12.65	548.61	545.99	562.01	819.4
	OTHER GROUPS (93)	855.67	-1.1	11.64	4.61	10.50	19.92	865.38	864.97	871.85	
41	Agencies (19)	1041.97	-1.2	8.70	2.62	14.53	18.11		1055.05	1062.74	
42	Chemicals (21)	1814.45	-8.7	12.59	5.01	9.53	35.79	1021.57	1019.25	1022.43	
43	Conglomerates (13)	1139.81	-0.6	11.00	4.66	10.49	22.91	1166.27	1159.60	1179.98	
	Shipping and Transport [12]	1826.67	-1.5	11.80	4.92	11.22	34.38		1859.62	1886.27	
47	Telephone Networks (2)	704.43	-1.5 -1.3	12.28	4.92	10.56	20.38	918.62	920.72	925.97	
19	Miscellaneous 126)	913.86	- <u>1.5</u>	10.55	4.39 4.20	9.86 11.79	24.64 19.41	1195.75 929.12	1196.46 928.92	1202.34 941.80	-7
	0    & Gas  12)		-0.5	11.14	6.37	11.52	64.62	1703.95	1797.33	1717.99	2242.
59	500 5 HARE INDEX (500)	981.32	-1.4	18.63	4.50	11.75	23.20	994.95	995.83	1007.78	
51	FINANCIAL GROUP (122)	657.71	-1.5	-	5.33		18.46	667.58	665.93	670.52	818.
52	Banks (8)	639.57	-1.4	22.70	6.92	5.91	23.83	639.71	638.21	637.91	817.
55	Insurance (Life) (8)	977.63	-1.9		5.18		24.97	996.80	1003.75	1018.77	1106
6	Insurance (Composite) (7)	514.76	-1.1	- 1	6.07	-	15.67	520.47	521.70	526.38	620.
57 I	Insurance (Brokers) (7)	921.331	-2.2	10.45	6.91	12.36	31.74	941.75	935.14	951.98	1244
8	Merchant Banks (11)	328.57	-2.1		4.36		7.08	335.57	335.28	341.09	492.
59	Property (51)	1139.86	-1.2	5.79	2.86	22.12	15.18	1153.97	1140.42	1152.59	1259.
70	Other Financia) (30)	353.89	-1.8	11.07	5.51	11.351	9.54	360.46	368.76	363.96	558.2
71	Investment Trusts (78)		-1.5		3.23		13.49	885.31	886.27	894.65	1131.7
	Mining Finance (2)		-2.2	9.57	3.76	11.81	8.12	511.84	518.03	521.99	677.5
91	Overseas Traders (81	1126.79	-0.8	18.21	4.96	11.50	35.31	1135.50	1134.69	1145.86	
99	ALL-SHARE INDEX (710)	898.42	-1.4	-	4.58	-	21.56	911.17	911.07	921.68	
٦		Index	Oay's	Day's	Day's	PILA	Apq	Aug	Aug	Apg	Year
		No.	Change	High	Low	31	30	26	25	24	200

	FD	(ED I	NTE	REST				AVERAGE GROSS REDEMPTION YIELDS	Thu Sep 1	Wed Aug 31	Year ago (approx.)
	PRICE INOICES	Thu Sep 1	Day's change %	Wed Aug 31	xd adj. today	xd adj, 1988 to date	1 2		9.72	10.12 9.70	9.49 9.78 9.63
3	British Government 5 years 5-15 years 0 ver 15 years Irredeemables	118.83 133.50 143.97 161.96	-0.08 -0.07 -0.09	118.79. 133.60 144.60 162.46 131.49	0.03  0.53 0.35 0.09	9.34 9.30 8.84	9	25 years	10.49 9.96 9.66 10.63	9.38 10.50 9.93 9.63 10.64 10.07 9.62 10.03	10.27 10.03 9.85 10.34 10.22 9.86
6 7 8	Ali stocks Index-Linked 5 years Over 5 years Ali stocks Behentnes & Loans	126.07 119.99 120.31	-0.17 -0.19 -0.19	126.27 120.21 120.54	- -	1.81 2.43 2.37	14 15	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Inflation rate 10% Over 5 yrs  Debs & 5 years 15 years 15 years	2,32 3,74	3.32 3.89 2.24 3.72 11.31 11.19	3.34 3.99 3.25 3.98 11.38 11.38
_	Preference	_	_	_	-	3.61	17	Preference	10.06	11.12	11.38

#Opening Index 1743.8; 10 am 1738.9; 11 am 1737.9; Noon 1742.3; 1 pm 1742.6; 2 pm 1743.8; 3 pm 1739.6; 3.30 pm 1740.1; 4 pm 1738.3

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, Loudon EC4P 48Y, price 15p, by post 32p.

Bankers Trust Company

Dashwood House 69 Old Broad Street

London EC2P 2EE

12-14 Rond-Point des Champs Elysées

75386 Pans, Cedex 08

Swiss Bank Corporation

l Aeschenvorstadt CH-4002 Basle

rue des Colonies 40 B-1000 Brussels

ritish Funds provations, Dominion and Foreign Bonds dustrials nancial and Properties is amations lines hers	Rises	Falls	Same
	6	95	12
	14	6	31
	389	372	837
	163	117	382
	27	17	62
	1	3	9
	21	73	100
	80	73	111
Totals	· 701	754	1,544

											, 
		1	LON	DQ	N RECENT	IS	SU.	ES			
EQU	ITIE	S									
tone Price	Amount Paid	100	198	_	Stock	Clades		Ret. Cita.	Tees	Greek Yarki	P.E.
1146	蝉	date	High	4			[.	•	[ <b>**</b> ".		
\$145 \$75 \$15 \$100 \$100 \$100		16/9 22/8 28/7 26/8	173 83 106 165 104 151 106 74 89 161	76802772388376	Caristle Group 2p Dukenianter 10p Eurocopy 5p PLineat Group 10p Lownies Gerepsway 5p Nacional Telecom 5p Meedler Group 10p GOT Capital Partners £1	15 1 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4 4446	13.5 N1.13 N2.19 3.7 5.75 12.0 109.8	322557	20 33 37 27 29 4.9	33.2 15.2 14.9 19.1 13.1 9.6 18.1
4140 460 140 5125 4	F.P.P.P.P.P.	5/8 19/8	434358n	505058	effeject Shop 59 Restaminater 50 Rectifor Group 209 Swills 59 Serfield Tarrar's 10p Waverley Mining Warrants	ក្នុងខ្លួញម្តងព	4 444	(3.15 ±1.0 10.9 13.0	24325	3243	134

Essue Price	Amount. Paid	Latest Renonc	- 19	268-	Stock	Classing . Price	+ 01
£	eb Land	Date	High	Low	3000	£	۱-
100p 101.09 100p 1001.2 100.9 100p 100p 5100p		29/9	969 1159 1029 1069 10112 9919 100 100 1209 8612 1049 969	939 1100-4p 1000-4p 920- 980-4 980-4 1000 785-2 989- 95p	Alexan Group & 25p Or. Rd. Pf. 10p. Blooded Lunioustes Bo Cr Rd Pf. 10p. Blooded Lunioustes Bo Cr Rd Pf. 10p. Brest Chemicals Int. Spc. Con. Rd Pf. Daries Estates 7. 75pc Cas Cm Rd Pf. Lon & Edin 18 0% 1 st. Cm Rd Pf. 2013. BcCarsthy & Stone 8. 75pc Rd. Pf. 2013. BcCarsthy & Stone 8. 75pc Rd. Pf. 2013. W wide Arg. 11 & pc 7. 8. 89. Do. 11 & pc 29 8. 89. Pleasurarse 7. 75pc Cv Dm Rd Pf. ETT Cantial Plans 24 pc Or Bris La 2000. Tamaris Grypt Cv. Rd. Pf. 2003. York Trust Grp. Rd. Cm. Or. Pf. 20p.	93p 110s 1004p 92p 931s 981s 991s 100p 822s 98p 93p	1111

RIGHTS OFFERS

Istan Price	Amount Paid	Latest Resurc	19	88	Stock	Clinsing	+ ==
P	100	Date	High	Low		P	^
r based ecast, o dend,co mates fo natised a roder a	on dividen r extmate er and p/e r 1988.6 ( dividend,co Offered to	d on full ca d assumable based on Ohvidend as ner and p/o n bolders o	epital 9 Az ed divident latest apm ed yield bas e ratio base of ordinare	7pm 2412 pm 7pm 7pm 2pm 2pm grospectus samed divid rate, com sal earning sed on prospe shares as	Fision	special payr lonated ann es or other Q Gross.R F mg figures.Y t Reletrodo	nent, u salised official brecast issued ction.
ed to co	naection wi	itis retrigat idioa wart	isation me ants entiti	rges or take ement.* 11	eover 1 Al lotmest, price. 7 Unilsted securities and Market.	market 4	micla

TRAI	MONT	AL OPTIONS
First Dealings Last Dealings Last Declarations For settlement rate indications see moon Share Service	Aug 22 Sep 9 Nov 24 Dec 5 end of	and Friedlander, Hickson, Ra Industries, Brent Walk Recal, Tesco, Control Securiti Helical Bar, Tuskar Resourc Dinkielleel, Regentcreat, D Corporation, Amatrad, BS Blacks Leisurgand BOM Holdin

# 8 9 16 25 2 8 13 Storebous (\*200 l

LONDON TRADED OPTIONS

### Notice of Redemption

### Pacific Gas and Electric Finance Company N.V.

12% Guaranteed Debentures Due 1991 NOTICE IS HEREBY GIVEN that in accordance with the Terms and Conditions of the Debentures the Issuer will redeem all of the Debentures at 1011/1% of their principal amount (the "Redemption Price") on the next interest payment date, 15th October, 1988, when interest on the Debentures will cease to accrue.

Payment of the Redemption Price will be made upon presentation and surrender of the Debentures, with all unmatured coupons attached, at the offices of any of the Paying Agents listed below.

Bankers Trust Company Four Albany Street New York, New York 10015 Bankers Trust GmbH Bankers Trust Company

P.O. Box 2665
Bockenheimer Landstrasse 39
6000 Frankfurt am Main

Banque Indosue: Luxembourg 39 Allee Scheffer Luxembourg L-2520 Bankers Trust A.G.

Dreikoenigstrasse 6 CH-8022 Zunich

Banque Indosuez Belgique S. A. Accrued interest due 15th October, 1988 will be paid in the normal

minner on or after that date against presentation of Coupon No. 5. Bankers Trust Company, London 2nd September, 1988

Agent Bank

### Interest Rater 13.025% per annum Interest Period: 6 September, 1988 to 6 March, 1989 Interest Amount per £500,000 Note due 6 March, 1989: £32,294.86 Agent Bank Brothers & Co., Limi

Finance Company Limited \$50,000,000

secutivies will carry an interest rate of 81%% per annum with an interest amount of U.S. \$5,710,07 per 250,000 denomination and U.S. \$11,420.14 per 500,000 denomination, payable un 18th November, 1988. Listed on the Luxembourg Stock Exchange

Correction Notice

TOPS SERIES II LIMITED

(Incorporated with limited liability in the Cayman Islands)

U.S. \$100,000,000

Series II Amortising Floating Rate Trust Obligation

Participation Securities due 1992

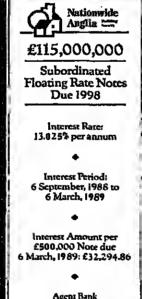
Secured by a Charge on a Portfolio of Fixed Rate Bonds and Notes with an aggregate principal amount of U.S. \$125,100,000

For the period 18th August, 1988 to 18th November, 1988 the

Bankers Trust Company, London Agent Bank

### **PUMA POWER PLANT**

Generators 100 kw - 10 mw In the City, U.K. and Worldwide **PUMA POWER PLANT** Ash, Canterbury, Keni CT3 2AJ Tel: 0304 812818 Fax: 0304 813331 Telex: 96366 PUMAUK G



Standard Bank Import and Export d Floating Rate Notes due 1992 maky and interestably guerantees ment of principal and interest by

> Ø The Standard Bank of South Africa

Limited In accordance with the provisions of the Notes notice is hereby given that the rate of interest for the three months 31st August, 1988 to 30th November 1988 has been fixed at 129/isper cent. and the interest payable on the relevant interest payment date. 30th November 1988, will be £156.17 per £5.000 Note.

Agent Bank:

CHILE The Financial Times proposes to publish this survey on:

For a full editorial synopsis and vertisement details, please contact NIGEL BICKNELL pa 01-248 8000 ext 3447

> or write to him at: io Cannon Street EC4P 4BY

**FINANCIAL TIMES** 

### FT 500

The Financial Times proposes to publish this survey on:

### Wednesday, 12th October 1988

For a full editorial synopsis and advertisement details, please contact:

> **Brian Kelaart** on 01-248 8000 ext 3266

> > or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

# Lloyds Bank Interest Rates.

With effect from 30 August 1988 the rate of interest applicable to Personal Term Loans will be increased to 1.3 per cent per month (APR 16.7%). Also the rate applicable to Educational Loans will be increased to 1.1 per cent per month (APR 14%).



Lioyds Bank Pic. 7) Lombard Street, London EC3P 3BS.

THE THOROUGHSRED SANK.

### **UK BANKING**

The Financial Times proposes to publish a Survey on the above on

### **26TH SEPTEMBER 1988**

dan ren

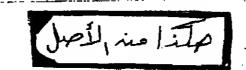
For a full editorial synopsis and advertisement details, please contact:

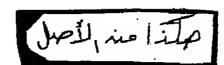
### DAVID REED

on 01-248-8000 ext 3461 or write to him at:

Bracken House, 10 Cannon Street London EC4P 4BY.

FINANCIAL TIMES





### LONDON STOCK EXCHANGE

# Weaker sterling brings late setback

of equities in the closing min-utes, when major market indi-

ces were depressed by losses in the blue chip international stocks. Oil shares reversed

early gains as the US market

THE FT-SE Index closed 28.1

over the UK securities markets yesterday afternoon when a late fall in sterling brought back all the City's fears that domestic interest rates could be forced higher still.

 $\langle M_{\rm H} \rangle_{\rm S_2}$ 

Government bonds, having traded confidently throughout the day, fell by nearly half a point in the final half hour. aking long-dated yields above 10 per cent. The sector was additionally upset by the latest Bank of England figures on notes in circulation which, according to some analysts. suggests that successive base rate increases have so far failed to stem consumer spend-

At the same time, the inter-

Account Dealing Dates Tryst Penthys: Sep 5 Sep 19

Aug 15 Sep 5 Sep 19

Option Declaration: Sep 15 Sep 29 Lest Destings: Sep 2 Sep 16 Sep 60 Account Day: Sep 12 Sep 28 Oct 10

national scene darkened as the London market move towards its close: Equities, having traded lower all day beneath the shadow of the setback on the Tokyo Exchange overnight, sharply extended their losses when Wall Street opened with an early 30 point fall.

points down at 1730.5, a shade above its worst but about ten points lower than its level at 3.30pm. The Index now lacks B support level above 1720, according to the chart special-

Seaq volume, combining both marketmaker and cus-tomer trade, totalled 385.8m shares against a comparable 357.2m on Wednesday.

Jul . Aug

which is reckoned to be small

beer for a group of RP's size. The oil sector generally tended to edge back from

tenden to edge back from alightly higher morning levels, leaving BP "old" shares little changed at 238p and the part-ly-paid a shade firmer at 140p.

ell Transport ended marginally down and British Gas drifted back further to 171p.

Burmah attracted fresh buy

recommendations, this tima

from Nomura Research and

County NatWest WoodMac,

and improved to 515p before ending at 511p.

Leading electrical issues attracted mixed sentiment yes-terday. Racal tumbled in early trading falling as low as 288p.

terday, hacal tumbled in early trading, falling as low as 288p before recovering to 298p after the company denied reports that it might have to delay the

flotation of its Vodafone sub-

sidiary. Nevertheless, the time-

table for flotation remains sub-

ject to market conditions and at the close Racal registered a

fall of 10% to 293%p after high

turnover of 9.1m shares; Amstrad staged a minor recovery, its gain of 1% to 202%p in turnover of 3.4m

shares representing a good per-formance. Dealers said product

launches were finally receiving some attention. Thorn-EMI fall

7 to 623p in very thin trade. Warburg Securities upgraded its profit forecast from £276m

to £285m for 1988. Other leading issues were depressed, BT fell 3% to 2270.

Placery lost 6 to 151%p and Perranti lost 2 to 87%p. BSR continued to struggle, falling 4

Market suggestions that Lon-

rho was about to announce

more to 62p.

Sep

While the setback in both the UK Monopolies and Mergbond and equity sectors came too suddenly to allow deep analysis by market professionals, the final mood was, "very uncomfortable", to quote a trader at one of the major

The first half of yesterday's trading session saw further selling of leisure, brewery, food and similar consumer stocks as the market continued to dis-count the likely effects of higher interest rates on domes-

tic spending patterns.

Also depressing the consumer sector was the news that Goodman Fielder Wattie intends to sell its 29.99 per cent stake in Ranks Hovis McDou-gall following the referral to

ers Commission of Goodman's bid for the UK food group. The bid has been allowed to lapse. Government bonds showed gains of % in early trading and seemed to be holding their ground well until the pound started to slip. The reaction was then fairly rapid, although most of the final losses repre-sented marking-down operations by traders. The key bond, the Treasury 11% pc 2003-2007, closed 1/2 down, to give a yield of 10.02 per cent. Short-dated Gilts lost about H, closing with yields of 10.75
per cent. There was some selling of Index-linked Gilts,
despite the heightened concern

either a joint venture or a dis-tribution agreement with ID. A statement from Pernod today

may clarify the position.

Building shares suffered a sharp setback. Fears that interest rates may have to be increased further took its toll on sentiment, particularly in the last hour or so of trading when the tone was described as "extremely nervous". House-builders were well to the fore in the reaction with Tarmac falling 7 to 218p and Barratt Developments a like amount to

The respite from selling in the Stores sector proved short-lived. Next were noteworthy for a fall of 8 at 201p, while Storehouse dipped 7 to 198p and Burton eased 5 % to 198p. Sears continued to trade briskly. Some 7.6m shares went through as the price fell to

126p offered, before good two-way business developed. With buyers eventually gaining the edge, the shares rallied to close 3 down at 128p. Yale and Valor closed 3 bet-

ter at 413p, after 416p, following the chairman's bullisb remarks at the annual meeting about the group'e trading per-formance. Commenting on the Williams Holdings and Inger-soll Rand stakes, ha said: "There is nothing at this stage to indicate that either of the companies is anything other than an investor. Both understand that the company is confident about the future and would choose to remain inde-

still being "torched" said a leading analyst, mystified by the fall from last week's high point of the year of 615p to 544p, down 16 more yesterday. The group is thought to be highly geared, but the terms of

Western Motor shares are

FINANCIAL TIMES STOCK INDICES 31 Ago Low High 91.43 (18/4) 127.4 (9/1/35) 96,85 96.86 97.03 1926.2 49.4 (15/7/87) (26/6/40) 1349.0 (8/2) Gold Mines 197.2 200.1 199.1 734.7 194.1 312.5 187.8 (18/8) (15/2/83) (26/10/71) S.E. ACTIVITY 4.82 12.17

Ord. Ol. Yield Earning Yid %(Iuli) P/E Ratio(Net)(\(\delta\)) SEAO Bargains/5om) Equity Turnover(Em)† Equity Bargains/ Shares Traded (mi)† 4,88 12,32 9.87 4.82 12.15 10.00 4.75 11.98 10.16 25,992 12.05 10.10 10.00 19,380 934.55 20,148 277.8 15 22

●Opening ●10 a.m. ●11 a.m. ●12 p.m. ●1 p.m. 14024 13981 13980 14012 1401.4 DAY'S HIGH 1402.4 DAY'S LOW 1390.8 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ☆ Nil 9.79 † Excluding Intra-marke

Aug 31 Aug 30 106.3 GIII Edged Bergeins 90.0 Equity Bargains Equity Value 5 - Day average 154.5 1344.0 Gilt Edged Bargains 100.0 102.0

### Hectic trading

THE DECISION by Goodman Fielder Wattie (GFW) to offer its 29.9 per cent stake for sale Hovis McDougall (RHM). At one stage dealers were changing their prices so rapidly that a reverse spread of 20p was quoted, after which the price settled significantly lower at 887p, down 21p. Turnover was heavy at 8.8m shares.

There was inevitable speculation as to who might be cash-rich and interasted enough in the stake to have approached GFW, with dealers agreeing that Goodman will either have to sell the stake whole at a discount or let it go in lumps to institutions. One price mentioned for the whole stake was 350p per share.

Among several names men-tioned, Grand Metropolitan was prominent, although deal-ers were quick to point out: that Grand Met was a prime suspect for a white knight role when Goodman bought its inttial stake in RHM, if it completes the sale of its InterContinental hotel group; Grand Met would have enough cash to buy the stake and launch a hid for RHM, but analysts were unwilling to hazard an opinion. Grand Met shares ended 5 down at 486p. Also mentioned was Allied-Lyons and, less plausibly said dealers, cash-

Taylor Woodrow up A flurry of activity in Taylor Woodrow (TW) was triggered by P.& O.'s announcement that it had increased its stake in the group from 8.5 to 9.9 per cept.
TW shares moved shead
smartly to 570% before falling
back to close 5 up at 567p. Volume at the end of the day,
bowever, amounted to only
286.000 charge.

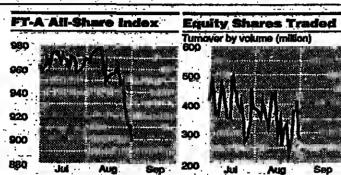
786,000 shares.
P.& O. first revealed a stake of 61 per cent in TW in late July. At that time it was said that the two companies were considering possible joint ven-tures, but this carried little weight with the market which pinned its hopes on an entright-bid and a major upward move-ment in the TW share price

The market was given fur-ther food for thought when the holding was later increased to 8.5 per cent. A leading market-maker said: "As a supposedly friendly buyer P.& O. is behav-ing in a rather aggressive man-

ner".

TW announced yesterday that it has contracted to acquire an investment property portfolio from the War-

 $\star_{\rm CO}(G)^{\rm T}$ 



rington and Runcorn Develop-ment Corporation for £77.1m to be funded entirely from the company's own resources.

ADRs lift Hanson

Hanson Trust stood out well against the wider market. At the close its shares stood 1% better at 137% in improved turnover of 6.4m. The rise was stimulated by large buying of ADRs in New York on Wednes-ADRs in New York on Wednesday, buying which reappeared yesterday. Dealers noted speculation that Hanson, in conjunction with Sir James Goldsmith, might be about to laimch a \$75 per share bid for Goodrich, the US tyre company.

The ADR activity was said tohe led by US securities house Merrill Lynch which la believed to have bought 750,000 ADRs, representing some 3.8m underlying shares, at the equivalent price of 138p per share. The fact that Merrill Lynch may have been involved lent credence to the Goodrich rumour on the grounds that Merrill is known to have acted for Sir James Goldsmith in the

past.
This specked off limited UK institutional interest, but dealers commented that unless there is an appropriate from the Goodrich rumour the activity is unlikely to last. This could be just another of those plausible, but unities, stodes that appear in untrue, stories that appear in son from time to time. said one.

British Petroleum issues hardly flinched at the group's decision to proceed this month with the foreshadowed sale of around 15 per cent of its BP Gold subsidiary through a public offering of 11.25m common shares. Analysts suggest the sale could raise about £200m,

either a rights issue or some other form of fund-raising sub-sided as volume increased noticeably. Over recent ses-sions tha stock has moved **NEW HIGHS AND LOWS FOR 1988** 

APPOINTMENTS

THEM FROME (17) Washe Mang. PROWERS
(1) Irian Distillers INDUSTRIBLE (2)
(2) Irian Distillers INDUSTRIBLE (2)
(3) Irian Distillers INDUSTRIBLE (2)
(4) American Irian Corp., And Corp.,
LESUMA (1) Medicinater 10s. Swarpsins
(1) Gotssa, Onl. 50 Coestal Corp., Cors.
Biffmon, Huntino Ol.
Bifmon, Huntino Ol.
Bifmon, Huntino Ol.
Bifmon, SANCE (4) First Not. Fin., Numbros.,
(10) Corps., Carlot (4) CAMADIANAS (1).
Apreno, SANCE (4) First Not. Fin., Numbros.,
(10) Corps., Carlot (4) Camadianas (1)
Bess. SIMDINGS (1) STORES (2)
SLECTRICALS (10) SWARDSERIES (2)
SLECTRICALS (10) SWARDSERIES (2)
APPOSEDE ING. STORE (2), Caution,
Chiristy Hant., Hobsen, Meggilt. Richards
(3), P. Bejam, Hazelwood, Hillsdown Midge.
Schusbury (1), Teon, Do. Spc., Thorphon,
SEQUETRIALS (21) Aberloyle, Alexander
(W.), Astra AB, Aukant Associates, BET,

Bibly (I.), Boots, Centrowey Ind., China Egght, Cowan de Gr., DSC, Oyzon (J.S.), Engle Frant, Esstern Prod., Granada, MSS Partners, Loodon Ind., Maytorn Gr., Mosaic Investipents, Norcros, Pacie Systems, Page (Michae) Gp., Parchaeld, Pilisapton Wornts, Rockware, Savage, Shilon, Sottorbys Higs inc Clase A, Thorsson T-Line, URS Ind., Unilock, MSURAMSE (3) Durham (D.S.), Frudential, Refuge, LEBURE (3) BEC, H-Tso Sooris, Tottenham Hotspur, MOTORB (4) FR Gr., KWil-Fit, March Group, Spice, MSWSPAPERS (4) Collins William, Johnston Frans, News (Int.Spec.Dhv., Und. News., PAPERS (14) PROPERTY (8) SHOWS (2) Headlan Sims, Lembert Hot, TRUISTR (17) CAS (8) Carless, Clud Ras., Citil Oil Wittes, News., PAPERS (14) PROPERTY (2) SHOWS (2) Headlan Sims, Lembert Hot, TRUISTR (17) CAS (8) Carless, Clud Ras., Citil Oil Wittes, McColl Go Co Pf., Southwest, OVERSEAS TRADERS (1) Chillington Corp., MMSCE (17) THRID MARSET (3) Americaeur Energy, Ovece, Gold, Some Tepe.

against the market and yester day the trend continued with the shares gaining 3 to 250p

after turnover of 8.2m.
Business seemed to be well spread and large deals went through the system at identical prices. These may have been agency crosses or the accumulation of stock by one source which marketmakers were unable to identify.

The financial sector turned off towards the close, in line with the rest of the market. Clearing bank issues fell from favour, giving back several pence after this week's relatively firm performance, Losses ranged from 2%p in Lloyds (288p) to 8 in Barclays (391p). Plans to list in Tokyo, where 20m new shares will be sold, left NatWest 3 off at 524p. Standard Chartered settled 9 lower at 493p as the market absorbed denials that two of its "white squires" had sold their share stakes.

Profits were taken on insurance shares, a notably dull fea-ture being Sun Alliance, due to follow Gnardian Royal Exchange (GRE) with its interim trading figures. At Nomura, Mr Trevor May sees Sun Alliance as an "attractive defensive stock" in present circumstances, but believes that its financial strengths are fairly reflected in the share

With Barclays de Zoete Wedd warning that "the downward trend in earnings" starts next year, and Hoare Govett donbting whether GRE can buck the trend, there were losses all round the composite insurance sector. At 945p, Sun Alliance gave up 12p, while GRE shed 5 to 171p and Com-mercial Union 71/4 to 332p. It was much the same on the

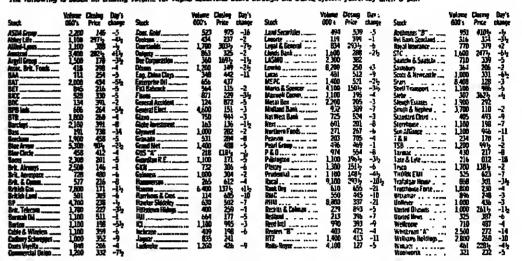
life pitch, where satisfaction with balf-time figuras announced on Wednesday proved little help to Pearl, which drifted easier to 469p.

Among brokers, switching out of Sedgwick continued, leaving the shares 6 off at 225p. Further consideration of the trading figures took 6 off Steel Burrel Jones at 213p. Whitbread ran into the pre-

dicted brokers downgradings and fell 14 to 272p in turnover of 25m shares Leading stocks in the sector were depressed, with the exception of Allied Lyons, which shaded just ½ to 368p in thin trade after the Goodman Fielder announcement on RHM. Allied has long been viewed as a bid target. Across the Irish Sea there

was considerable interest in Irish Distillers (ID) after con-firmation that Pernod Ricard had taken at least a 2.8 per cent stake. ID shares rose 9 to 358p. London dealers said it was hard to judge overall turn-over yesterday, but felt that Pernod was still buying stock. Pernod is thought to be hoping to block the Grand Metropolitan bid for ID before arranging

### TRADING VOLUME IN MAJOR STOCKS



the Lada franchise agreement mean that the group has to deposit cash of £35m-£40m which is interest bearing. Higher rates are therefore seen to be beneficial rather than harmful.

WPP impressed with its results, but inspired only conservative upgradings from analysts. Its shares fell 20 to 578p amid uncertainty over its plans for Charles Barker, which fell S to 155p. BZW analyst Mr Andrew Mills has raised his forecast for WPP for 1988 by £2.1m to £36.5m.

It was confirmed that MAP's stake in AGB Research was sold to Pergamon on Wednesday and AGB shares were steady, losing a penny to 217p. UK Paper recorded one of the day's best rises, up 5 to 164p after its results were well received and buyers emerged.

Japanese-orientated Investment Trusts followed the latest setback in the Tokyo market with Fledgeling Japan income falling 8 to 73p and GT Japan losing 15 to 273p. GT Management came under pressure also but for a different reason. Adverse comment upset the whole sector. Philip Gibbs of CL-Alexanders Laing & Cruickshank has downgraded his estimate for Henderson Adminis-tration (down 10 at 655p) from £16m to £13.5m and may shortly lower his current estimate of £9m for GT Manage-

ment. The latter's shares closed 12 down at 128p. The re-listing of Ashley Industrial Trust (AIT), the shell company recently reor-ganised by Mr Tony Butler. was a muted affair largely because of wider market nerves. Early last month the shares of AIT, shortly to be re-named Ashley Group, were suspended following the proposal to raise £33.6m through a rights issue and major share placing; the funds were needed to finance the acquisition of DIGSA, a Spanish food group, from Dee Corporation for £30m. AIT shares closed at 76p ex-rights while the new nil-paid settled at 1%p premium yester-

day. Business in Traded Options was the third largest since the October crash with 27,703 outs and 24,161 calls, making a total of 51,864. The highlight was a total of 9,440 contracts, almost exclusively puts, in TSB. Sears were again active with 6,330 contracts, some 4.600 of which were calls.

M Other markat statistics, including the FT-Actuaries Shara Index and London Traded Options, Page 32

PERSONAL

SPEAKING

Training and speech

writing by award winning

speaker. First lesson free.

01 930 2197.

**CLUBS** 

Eve

outlived the others because of e policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamor-th bareages writing floorshows.

01-734 0557.

ART GALLERIES

### COMPANY NOTICES

### Kommunlåneinstitutet **Aktiebolag**

UA 15,000,000 71/2% Bonds 1978-1993

On August 22, 1988, Bonds for the amount of UA 1,275,000 have been drawn in the presence of a Notary Public for redemption on October 12, 1988. The following Bonds will be redeemable coupon due October 12, 1989 and following attached:

Amou	nt ou	tetand	ing: UA	6,375,	000						
Bonda	pres	Nously	drawn	and not	yet p	oresen	ted for	redemp	tion:		
	to	1554	incl.						and	2584	
	to	1755	incl	2153	_				to	2600	
1774				2156	and	2157					
1782	to	1799	incl.	2190	and	2101		2672	to	2677	incl
1812	to	1817					Incl.	2724	and		
1828	to	1832	incl.		and	2311			to	2790	ind
1898	and	1899		2325							
1901	and	1902		2329	and	2330		2851	to	2853	ind
1923	to	1928	incl.	2348	10	2350	incl.	2888	and	2889	
1936				2352				2909	and	2910	
1942	and	1943		2354	and	2355				2930	
1969	100	1971	incl.	2365	to	2368	inci.				inci
1988				2378	and	2379		6129	and	6130	
2013	to	2032	incl.	2382	and	2383		2143	and	8144	
				2386	to	2390	incl.	6226	and	6227	
						2396	incl.	6236	to	6238	Incl
	8onda 1546 1566 1774 1774 1828 1898 1901 1923 1938 2013 2025	8onds pres 1546 to 1568 1742 to 1774 1782 to 1812 to 1828 to 1898 and 1901 and 1923 to 1936 1942 and 1969 to 1988 to	Bonds previously 1546 to 1554 1568 1742 to 1755 1778 to 1799 1812 to 1872 1898 and 1899 1901 and 1902 1923 to 1928 1936 1942 and 1943 1968 to 1971 1968 2013 to 2032 2035 to 2039	Bonds previously drawn 1546 to 1554 incl. 1566 1742 to 1755 incl. 17742 to 1799 incl. 1812 to 1817 incl. 1828 to 1832 incl. 1898 and 1899 1901 and 1902 1923 to 1928 incl. 1936 1942 and 1943 1968 to 1971 incl. 1968 2013 to 2032 incl. 2035 to 2039 incl.	Bonds previously drawn and not 1546 to 1554 incl. 2127 1566 2137 1742 to 1755 incl. 2156 1782 to 1799 incl. 2190 1812 to 1817 incl. 2207 1828 to 1832 incl. 2310 1898 and 1899 2325 1901 and 1902 2329 1923 to 1928 incl. 2384 1936 to 1928 incl. 2352 1942 and 1943 2354 1969 to 1971 incl. 2365 1988 2013 to 2032 incl. 2382 2035 to 2032 incl. 2386 2386 2035 incl. 2386 2386 2386 2386 2386 2386 2386 2386	1546 to 1554 incl. 2127 to 1568 1742 to 1755 incl. 2137 to 2137 to 1774 1782 to 1799 incl. 2190 and 1812 to 1817 incl. 2207 to 1828 to 1832 incl. 23010 and 1898 and 1899 2325 and 1933 to 1928 incl. 2348 to 1936 to 1971 incl. 2365 to 1988 2013 to 2032 incl. 2382 and 2035 to 2039 incl. 2382 and 2382 to 2035 to 2039 incl. 2382 and 2385 to 2382 and 2035 to 2039 incl. 2382 and 2386 to 2386 t	Bonds previously drawn and not yet present 1546 to 1554 incl. 2127 to 2130 1566 2137 to 2139 2153 to 2139 2153 to 2139 2156 and 2157 1782 to 1799 incl. 2190 and 2191 1828 to 1832 incl. 2310 and 2311 1898 and 1899 2329 and 2330 1903 to 1928 incl. 2352 and 2350 1936 to 1928 incl. 2352 and 2350 1936 to 1971 incl. 2365 to 2368 2013 to 2032 incl. 2382 and 2378 2035 to 2039 incl. 2382 and 2383 2035 to 2039 incl. 2382 and 2383 2035 to 2039 incl. 2382 and 2383	Bonds previously drawn and not yet presented for 1546 to 1554 incl. 2127 to 2130 incl. 1566 2137 to 2139 incl. 2157 to 2139 incl. 2157 to 2139 incl. 2157 to 2139 incl. 2153 1774 2 to 1799 incl. 2156 and 2157 1782 to 1879 incl. 2207 to 2211 incl. 1828 to 1832 incl. 2310 and 2311 1898 and 1899 2329 and 2331 1901 and 1902 2329 and 2330 1923 to 1928 incl. 2352 and 2350 incl. 1936 1943 1959 to 1971 incl. 2365 to 2368 incl. 2378 and 2379 2035 to 2039 incl. 2382 and 2383 2035 to 2039 incl. 2382 and 2383	Bonds previously drawn and not yet presented for redempt 1546 to 1554 incl. 2127 to 2130 incl. 2583 1566 2137 to 2139 incl. 2587 1742 to 1755 incl. 2153 2594 1774 2 to 1799 incl. 2156 and 2157 2594 1782 to 1879 incl. 2207 to 2211 incl. 2724 1828 to 1832 incl. 2310 and 2311 2788 1988 and 1899 2325 and 2330 2851 1923 to 1928 incl. 2329 and 2330 incl. 2881 1936 2352 incl. 2384 to 2350 incl. 2881 1936 2352 incl. 2368 incl. 2368 incl. 2378 and 2379 and 2379 and 2379 and 2379 and 2379 incl. 2388 1938 2033 incl. 2386 incl. 2388 2035 incl. 2388 2383 2143 2035 to 2039 incl. 2386 incl.	Bonds previously drawn and not yet presented for redemption:  1546 to 1554 incl. 2127 to 2130 incl. 2583 and 1566 2137 to 2139 incl. 2587 and 2137 to 2139 incl. 2587 and 2157 2594 to 1772 to 1772 to 1772 to 1772 incl. 2190 and 2161 2672 to 1812 to 1817 incl. 2207 to 2211 incl. 2724 and 1828 to 1832 incl. 2310 and 2311 2788 to 1832 incl. 2310 and 2311 2788 to 1923 to 1928 incl. 2329 and 2330 2851 to 1923 to 1928 incl. 2329 and 2330 2851 to 1928 incl. 2348 to 2350 incl. 2888 and 1936 to 1971 incl. 2365 to 2368 incl. 2909 and 1968 to 1971 incl. 2365 to 2368 incl. 6048 to 1988 2013 to 2032 incl. 2386 to 2390 incl. 6226 and 2035 to 2039 incl. 6226 and 2386 to 2390 incl. 6226 and	Bonds previously drawn and not yet presented for redemption:  1546 to 1554 incl. 2127 to 2130 incl. 2583 and 2584 1566 2137 to 2139 incl. 2587 1742 to 1755 incl. 2153 1774 2 to 1799 incl. 2150 and 2161 2672 to 2577 1812 to 1817 incl. 2207 to 2211 incl. 2724 and 2725 1828 to 1832 incl. 2310 and 2311 2784 to 2790 1898 and 1899 2325 1901 and 1902 2329 and 2330 2851 to 2851 19136 2352 incl. 2365 incl. 2365 incl. 2888 and 2889 1936 to 1928 incl. 2348 to 2350 incl. 2888 and 2889 1938 2378 and 2355 2329 and 2330 1988 2013 to 2032 incl. 2365 to 2368 incl. 6048 to 6050 1988 2013 to 2032 incl. 2386 to 2390 incl. 6226 and 6130 2035 to 2039 incl. 2386 to 2390 incl. 6226 and 6227

2110 to 2120 incl.

The Fiscal Agent KREDIETBANK S.A. LUXEMBOURGEOISE

### NOTICE TO HOLDERS OF **PUBLIC**

BANK OF TOKYO (CURAÇÃO) HOLDING N.V.

(the "Company") £30,000,000 Guaranteed Floating Rate Notes Due 1998

NOTICE IS HEREBY GIVEN that, in account

dance with Condition 5(c) of the Notes, the Company will, at the option of the holder of the Notes, rodeom, on the Interest Payment Date falling in November, 1968, the Notes at the principal amount thereot.

must deposit the Notes with Bank of Tokyo International Limited, London as Fiscal ing Agents: The Bank of Tokyo, Ltd. In Brussels and

Paris; The Bank of Tokyo (Luxembourg) S.A., Luxembourg: The Bank of Tokyo (Hotland) N.V., Amalerdam, Bank of Tokyo (Deutsch-Land) A.G., Frankfurt/Main and Benk of Tokyo (Switzerland) 1.td., Zurich, not less than 45 nor more than 60 days prior to 28th Novem ber, 1988 being the November, 1988 Interes

The Notes, it so deposited, may not be with drawn without the prior consent of the

NK OF TOKYO (CURAÇÃO) HOLDING N.V. By: Sank of Tokyo International (Limit as Fiscel Agent.

The Arun Art

ous hostesses, exciting floor 189, Regent St., W1.

Centre. Arundel. West Sussex.

(0903) 882177. President's 27th August - 24th Septe Mon-Sai 9-5.30.

### Beecham reorganises consumer products

the new organisation, Beecham Products. Mr Hunter, who has been with the company for 31 years, was most receatly responsible for all of Beecham's UK, European and international consumer products operations. Mr Glynn-Jones has been with the company 17 years, and was president of Beecham Products USA. The chairmen of each usa. The chairmen of each geographical division will report to him. Mr Tony Doggal-Biggs is appointed vice chairman, Beecham Products. He was chairman of the toiletries and over the counter medi-cines business in the UK and Western Europe. Mr Michael

IMPERIAL TRIDENT LIFE has appointed Mr Peter Hulse as director - UK equities, and Mr Kenneth Miner as director fixed interest securities.

HUMPHREYS & GLASGOW. London, an Enserch company, has appointed Mr William J. McNelli as chairman and chief executive officer, succeeding
Mr W.H. Frager who will
pursue other interests. He was
chairman of associate
companies British Offshore Engineering Technology, and

BEECHAM GROUP has restructured its consumer products organisation and has promoted two executives. Mr John Hunter is to be chairman, and Mr Peter Glyan-Joues becomes managing director of the new organisation, Beecham Products. Mr Hunter, who has been with the company for 31 with the acquisition of Bevril years, was most recently where he was sales director. where he was sales director. Earlier this year he was appointed chairman of the food & drink division. Mr David Boyle becomes chairman, Beecham Products in Continental Europe. He was chairman of the international division. Mr Charles Pergola has been appointed president Beecham Products USA, Mr Howard Hutchings is made chairman, Beecham Products International. He was managing directions. tional. He was managing direc-tor of the UK and Western Europe tolletries and OTC medicines businesses.

Earl and Wright. He is also chairman of Kent County

Mr Lou Morris, Mr David Knight and Mr Anthony Williams have been appointed directors of BARCLAYS de ZOETE WEDD CAPITAL MARKETS.

m Dy Colin Wingger has been appointed managing director of WAGON INDUSTRIAL HOLDINGS subgidiaries Edward Rose Burningham,





Edward Rose Section, and Edward Rose Telford. Mr Alan Pitcher becomes chairman.

■ Mr S. "Freddie" Ferrada has been appointed a director of ROTCH PROPERTY GROUP. He retired last year as a director of The Hammerson Property Investment and Development Corporation, where he continues as a consultant.

Mr Jim Davis has joined SEDGWICK MARINE AND CARGO as a non-executive director. He was a director of Kleinwort Benson: He is chairman of DFDS, The Marine Society, the Internatinal Maritime Industries Forum, Simplification of International Trade Procedures Board, and British Rail Auglian Board; and a director of Associated British Ports Holdings.

Transport Development Group, and TIP Europe.

■ ALLIED COMMUNICATIONS GROUP has taken a 51 per cent stake in Ward Executive. Mr Vernon Pascoe, chairman of ACG, has been appointed chairman of the new company. Mr Terry Ward becomes managing director. He joins from Link International Search and Selection, where he was managing director. Ms Claire Ward has been sppointed client service director. She was a director at Link International.

Mr Timothy Pierce, who joins from Price Waterhouse, has been appointed vice president of finance of MRS FIELDS INC. Mr Robert Neilson has resigned as chief

**CREDIT FONCIER** DE FRANCE -ECU 50.000.000.-Floating Rate Notes 1983/1993

Bondholders are hereby informed that the rate applicable for the twenty-third interest period has been fixed at 8 1/8 %. Coupon No 23 will be payable as from November 30th, 1988 at the price of ECU 205,38 equivalent to an Interest of 91 days, covering the period from August 31, 1988 to November 29, 1988 Inclusive.

The Reference Agent CREDIT LYONNAIS LUXEMBOURG

**ELECTRICITE DE FRANCE** (EDF) USD 400.060.000

Rooting rate nates our FEB 1999. The applicable interest rate for the period beginning on 31 Aug 83 and ending on 18 Feb 1988 as Read by the Reference Agent is 94 per cent per annum namely USD 455.07 by the denomina-tion of USD 10.000

COMPANY **ANNOUNCEMENTS** 

> The Solicitors Staff Pension Fund

Mr. Michael Meggeson has been appointed Chairman of the Commit-tee of Management of the Solicitons Staff Pension Fund in succession to Mr.P.K.Drury. Mr. Drury continues as a Member of the Committee.

### World

**Economy** 

The Financial Times proposes to publish this survey on:

September 28th

For a full editorial synopsis and advertisement details, please contact:

> **Hugh Sutton** on 01-248 8000 ext 3238

or write to HIM at:

Bracken House 10 Cannon Street London EC4P 4BY

**FINANCIAL TIMES** 

### **COMMODITIES AND AGRICULTURE**

### Cocoa price spirals down to seven-year low

By Richard Mooney

THE DOWNWARD spiral in cocoa prices on the London futures market took another turn yesterday as bearish factors piled up ahead of next week's crucial council meeting of the International Cocce Organisation in Londsn. The December delivery

position fell £32 to e seven-year low of £816 a tonne, while at one point the March quotation reached £790 e tonne, the lowest third-position futures price for 12% years.

Speculative selling based on

chert signals was the immediate cause of the renewed fall. However, backing this were narrowing premiums for West African physical supplies, which were taken as signalling an easing in the nearby supply tightness following recent sales by Nigeria. Cameroon and Malaysia.

In the background predictions of a fifth consecutive annual production

surplus were continuing to weigh down dealers' spirits. Gill & Duffus, the London trade house, added to their gloom with its market report issued after last night's market close. It lifted its estimate of the 1987-88 surplus to 133,000 tonnes, from 111,000 tonnes in its June report, and revised its 1986-87 eurplus figure from 50.000 tonnes to 66.000 tonnes. The net result was to raise the projection for this year's end-of-season stocks by 38,000

**Drought cuts** 

income forecast

NET US farm income for 1988

is forecast at \$38bn to \$43bn

down from last year's \$46bn record, the US Agriculture Department said, reports Reuter from Washington.

The department said net

farm income was typically much more volatile than net

cash income because weather

often causes sharp changes in production that lead to swings

Based on August 1 condi-tions, net cash income could be

netween \$55bn and \$60bn,

following last year's record

over recent years. Substan-

Hally redoced wheat and soya-

bean stocks, rising exports, and strong demand from an

expanding livestock sector

were driving grain prices higher, it noted.

The drought further boosted

the early season price strength and crop receipts were now estimated \$6bn above the 1987

level, with balf the increase

due to the drought.

\$57.1bn, the department said. At the beginning of the drought, the outlook for crop receipts was much improved

in inventory values.

**US** farm

Cocoa stocks As at september ("000 tonnes)

tonnes, to 743,000 tonnes, equivalent to 4.7 months' consumption.

For the coming season Gill & Duffus sees a continued worsening in the market balance. It said: "It is apparent that the growth in production ls still outstripping that of consumption, despite the anticipated acceleration of the latter.

Further, it warns that in the event of no new initiative to restrict the supply, any surplus (in 1988-89) will have to be borne by the market alone because of the suspension of ICCO buffer-stock buying. The report said that in the

past two seasons 150,000 tonnes of the estimated aggregate surplus of 199,000 tonnes was absorbed by buffer stock.

FISH FARMING could upset the ecological balance of marine and hiological life in

lochs and coastal waters where it is practised, a report issued

yesterday by the Highlands and Islands Development

Fish farming is one of the

However, such ecological

damage could be made good provided farming operations,

which involve rearing fish in

cages, were moved around.

The report is based on a

four-year study of aquaculture and the environment by Stirling University scientists,

funded mainly by the board.

The study was co-sponsored

by the Nature Conservancy

Commissioners, the Country-

side Commission for Scotland and the Scottish Salmon

The background to the study

is a growing concern with the environmental impact of

salmon farming in the highlands and islands.

Growers Association.

COCOA E/tonne

Council, the Crown Estates

fastest-growing industries in Scotland's highlands and

Board said.

islands.

Study says fish farming

damage is reparable

By Bridget Bloom, Agriculture Correspondent

coffee Meanwhile, at the Cocoa Producers' Alliance meeting in Lome, the Togolese

capital, Ivory Coast has been

doing little to encourage bopes of the ICCO being in a position

to regain its grip on the market after next week's meeting.

Mr Felix Houphouet-Boigny, Ivory Coast'e president, has warned that his country, the world's hierarchy come medicar.

world's biggest cocoe producer, may stay out of the ICCO after

the present pact expires in

His agriculture minister, Mr Denis Bra Kanon, has spoken of the agreement "dying its own death."

own death.

The nearest thing to bullish news to emerge from the Lomé meeting was Wednesday's announcement that the CPA was to investigate cocca stock statistics.

A statement issued at the meeting's end said members were "unanimously convinced of the fictitious character of statistics relating to world

Mr Bra Kanon, mentioning a figure of 800,000 tonnes —

which presumably included next year's expected surplus -said: "We producers know there is not such a stock in

The alliance said it would investigete "the real quantity, quality and age of cocoa in atorage, as well as the holders of the said attacks and their engagementical

stocks and their geographical

Salmon farming has grown

rapidly in recent years. Last year, about 13,000 tonnes, worth some £63m at farmgate

prices, were produced; output is forecast to reach 54,000 tonnes by 1991.

the much smaller current

production of shellfish,

including lobsters, as well as fish such as halibut.

The study found that in the

five sites investigated the effects of surplus food and

waste products associated with

fish farming were confined to within 60 metres of the fish

farm. The biggest changes were noted within is metres. Under so-called extreme

conditions the effects could

prove toxic to fish. However, the report concluded that

where there was sufficient

depth and water exchange, the

site was unlikely to become

soured.

There are also plans to raise

statistics.

in its International Csffee Organisation export quota for 1988-89, Mr Jorio Danster, president of the Brazilian Coffee institute said this week, reports Reuter from Rio de

were agreed last year. Brazil'e quota for the

He repeated statements that

Brazil is due to attend a

Brazilian exporters appealed to him to keep Mr Dauster, who is widely respected by local traders and growers. Mr Dauster declined to speculate on how long he ight stay as president of the

Indonesian coffee

INDONESIA'S COFFEE exports are expected to fall to 258,000 tonnes in the 1987-88

mineral producers.

He said: "After a prolonged

**WORLD COMMODITIES PRICES** 

to the producers to use it." However, he and other observers said the new contract could hardly have been launched at a worse time because stocks of the material world-wide were very low and there was little incentive for

Mr Stephen Briggs, of Shearson Lehman Hntton's London metals research unit, said: "Previously when new contracts were launched there were worries about stocks but they were quickly dispelled.

the new contract can survive the early difficulties, in the long term it should displace the European Producer Price. The EPP is based on the so-called good ordinary brand

The analysts agreed that, if

of the new contract so

is of 99.995 per cent purity. The existing High Grade (99.9 per cent pure) contract will continue to run in parallel for some time but yesterday was switched from sterling to US

dollars.
Special High Grade made a quiet start with metal for delivery in three months quoted in the range \$1,400 to \$1,405 a tonne, Dealers said the much as expected.

The first cash position for the new contract falls due on December 1. Options trading will not be available until it has become well-established.

**Brazil** rules out quota cut

BRAZIL WILL not accept a cut

Qustas for the year now ending and the csming September to October period

coming coffee year was about 30m bags of 60kg, with the exact figure to be calculated on the formula agreed last year, Mr Dauster said. "We will not accept a reduction,"

this month's ICO meeting in London should set a timetable for talks on what to do when the current coffee pact expires

meeting of exporting countries in Quito, Ecuador's capital, next Monday and Tuesday, when the exporters will be trying to thrash out a common position ahead of the full ICO Council session scheduled to begin in London on September 19. Mr Dauster described next week's talks as a traditional

co-ordinating meeting.

Consumers are unhappy
with the accord which tries to with the accord which tries to stabilize world coffee prices through export quotas. They want a new pact, saying the current one does not satisfy their needs and forces them to pay higher prices than non-ICO members.

• Mr Dauster said he had been constructed as the

e Mr Dauster said he had been confirmed as the institute'e president hy the country's new Trade and Industry Minister, Mr Roberto Cardoso Alves.

There has been speculation that Mr Alves might choose a new man for the post, hut Brazilian exporters appealed.

exports likely to

30, from 297,209 tonnes in 1986-87, the Indonesian Coffee Association said, Renter reports from Jakarta

Mr Dharyono Kertosastro, chairman of the association, Eurichment, Hypernutrification and Eutrophication Associated with Mariculture in Scottish said Indonesia's coffee output this year was expected to stay at last year's level of 360,000 Coastal Waters. University of Stirling. £20. tonnes, compared with 329,800 tonnes in 1986.

### Opting not to plead in open court Raymond Hughes on ITC members' moves to strike out actions

NCE AGAIN an impor-tant court hearing in litigatisn arising from the collapse into insolvency of the international Tin Council is to take place behind closed

On Msnday, Mr Justice Evans, a Commercial Court judge, will begin hearing in private an application, by the 24 members of the ITC, to strike ant actions brought

strike snt actions brought against them by six banks and nine brokers, all creditors of the ITC. The hearing is expected to last three weeks.

Pre-trial hearings in Commercial Court actions are customarily heard in chambers. unless the parties ask the judge to sit in public.

It is understood that,

although the creditors and the UK would have no objection to the case being in open court, the other states are not minded to depart from the usual

In May last year the court sat in private to hear a similar application by the states in actions brought by two other broker creditors, J.H.Rayner (Mincing Lane) and Maclaine

On that occasion the judge, Mr Justice Staughton, gave his judgment in favour of the states in open court. The states in open court. The subsequent Court of Appeal hearing, at which his ruling was upheld, was all in open court, as will be the final appeal before the Law Lords this year or early next. The likelihood is that Mr members of the ITC; as Justice Evans will adopt the members participating in ITC same course as Mr Justice operations; or as principals Staughton — and that the upon whose behalf the ITC same course as Mr Justice Staughton — and that the arguments will be rehearsed again in public when, inevitably, the matter goes

to appeal.
Throughout the litigation throughout the litigation the msmbers — the UK, 22 other states and the European Community — have denied that they are legally liable for the ITC's debts.

They will seek to have the banks' and nine brokers' actions struck out on the basis that the control of the basis.

that the creditors have no legally sustainable cause of action against the UK and that the foreign etates have sovereign immunity.
The banks and brokers took

part in the earlier hearing to deal with issues common to both sets of proceedings.
This latest hearing will
be concerned with other issues arising from damages claims which are based on allegations of negligence and misrepresentation.
The banks entered the

The banks entered the litigation lists in December. 1986 with writs, all in broadly similar terms, issued by Australia & New Zealand Banking Group (ANZ), Kleinwort Benson and Arbuthnot Latham, claiming respectively \$4.6m, £8.47m and \$2.23m.

In each writ the claim was

In each writ the claim was made on one of three alternative bases: that the member-states are liable as

ontracted. Alternatively the banks claim damages for breach of implied contracts collateral to

implied contracts collateral to the loan contracts.

A further alternative claim, against all the defendants except the EC, is for damages for negligence and/or negligent misrepresentation "in and about the defendants' conduct of the affairs of the ITC as a result of which (each bank) advanced money to the ITC and has been unable to recover

the sums due." ANZ's writ contains a further claim, against Australia alone, for damages for negligent misrepresenta-tion "in giving advice and information (to ANZ) as to the affairs of the ITC in or about June 1983, November 1983, June 1984 and June 1985."

Three more bank creditors joined in the litigation later: Banque Indo-Suez (claiming £1.17m), Hambros (£7.11m) and TSB (25.99m).

In February last year the nine broker creditors issued a writ claiming payment of tin-contract debts totalling £110m, and unquantified damages, including damages for alleged false representation.

The nine are members of the Tinco Realisations group being co-ordinated by Mr Michael Arnold, of Arthur Young, the chartered accountant.

They are Amalgamated Metal Trading, Bousteed Davis (Metal Brokers), Gerald Metals, Gill & Duffus, Henry Bath & Son, Holco Trading Company, Metallgesellschaft, Metallst and Mocatta Commercial.

As an alternative to their contract-debt claim they seek damages for repudiation of the contracts or for non-acceptance of the goods sold, after the ITC buffer-stock operations collapsed in October 1985.

The Tinco writ claims damages for "the false representations" made by the representations" made by the FIC's buffer-stock manager and deputy buffer-stock manager to the plaintiffs, "negligently and/ or recklessly without caring whether they be true or false," that the ITC - reasonably expected to have sufficient funds available to meet the contract liabilities.

The false representations were impliedly made in making the contracts and were either authorised by the members or made on their behalf, the writ asserts.

Alternatively to that claim the brokers seek damages for breach of warranty that the habilities would be met when they fell due — alternatively that there were reasonable grounds to expect that the ITC would have sufficient funds to

### LME launches special high grade zinc

By Kenneth Gooding, Mining Correspondent

ANALYSTS EXPECT the London Metal Exchange's new Special High Grade zinc contract, launched yesterday, eventually to make redundant the European Producer Price of zinc, widely used in contract

negotiations.
However, they emphasise that the success of the contract depends on producers supporting it.

Mr John Harris, an analyst with Endolf Wolff, metal traders, said: The custom smelters in Europe pressed the LME hard to introduce this contract and the exchange bowed to that pressure. Having asked and been given, it is up "But metal supplies are tight at the moment and there might really be a problem this time."

producers to deliver into the LME's warehouses.

zinc contract which the LME discontinued in 1985 because less than 10 per cent of the zinc. produced is of this standard. The LME timed introduction

would be able to use it as the basis for negotiations when pricing talks take place with consumers next spring in the so-called mating season. The Special High Grade zinc

premium over the High Grade of about \$45 to \$50 a tonne was

### Copper prices forecast to fall World Bank currently well above 100 cents. demand last year and this

A WORLD BANK economist period of low prices, has forecast that copper prices international copper prices will fall sharply from this staged a dramatic run-up in els through the early 1990s, Reuter reports from the United Nations.

The official, Mr Theophilos Priovolos, was speaking to a apecial commission which is looking into the likely impact of seabed mining on landhased, developing-country, demand increases and reduced capacities in the wake of the industry's restructuring, remained at high levels through the first half of 1988.

"Copper prices are expected to decline sharply from the second half of 1988 and remain at low levels through the early 1990s, most of the time below 70 cents per pound. They are

US MARKETS

This price behaviour will be when world use exceeded determined by a combination output by 54,000 and 52,000 large production units coming on stream in the near future. "Over the long term, prices

are expected to reflect the cost of the marginal producer, likely to be represented hy nnum in current terms during large-scale mines necessary to meet the demand increases to

Chicago

the year 2000." On nickel's outlook he said from a position of excess

HEATING OIL 42,000 US galls, cents/US galls. Extest Previous High/Low

try would move to excess sup-ply next year with a 22,000tonne surplus. Nickel prices are projected to grow by 2.3 per cent per

the 1990 to 2000 period. World production and consumption are expected to reach 898,000 tonnes in the year 2000.

### LONDON MARKETS

ALUMINIUM prices on the London Metal Exchange yesterday continued the fell triggered by the unexpectedly-sharp rise in warehouse slocks announced on Monday. Dealers sald fundamental end technical weekness kept the market under preseure es the cash price of high grade (99.7 per cent pure) metal dropped another \$110 to \$2,680, taking the decline on the week so ter to \$270. Lead also lost ground with the cash position closing £4 down in eubdued trading. But copper continued relatively tirm, paining £15 to £1,413 a tenne for cash motal. At the same time the cash premium over three months widened by £5 ts £27.50 a tonne. Copper gst off to a strong etart following the metals etrongth in New York's Comex market overnight. But London dealsrs said trading was thin end some suggested that the market might heve had SPOT MARKETS

Crude oil (per barrel FOB S	eptember)	+ or -
Dubai	\$12.72-2.80q	-0.14
Brent Bland	\$14,22-4,29y	
W.T.I. (1 pm est)	\$15.10-5.15q	
QR products		
OWE prompt delivery per	torane CIF)	
		+ or -
Premium Casoline	\$178-181	
Gas Oil	5126-127	-2
Heavy Fuel Off	\$68-69	-1
Maphtha	5134-136	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)-	\$430.75	+ 1.25
Billyer (per troy oz)	661c	+7
Platinum (per troy oz)	\$531.50	+5.50
Palladium (per troy oz)	\$123.25	+0.35
Aluminium (free market)	\$2680	-110
Copper (US Producer)	109%-10%C	+1.87
Lead (US Producer)	36¢	
Nickel (free market)	610c	
Tin (European free market)		+ 30
Tin (Kuala Lumpur market)		+0.74
Tin (New York)	349.25c	+ 0.75
Zinc (Euro, Prod. Price)	\$1275	
Zinc (US Prime Western)	65%c	
Cattle (live weight)†	114.35p	-0.84*
Sheep (deed weight)†	163.93p	-2.37*
Pigs (live weight)†	<b>69.58</b> p	+0.57*
London daily sugar (raw)	\$267.0c	+28
London daily sugar (white)		+25
Tate and Lyle export price	2268.5	+20
Barley (English food)	£104	
Malze (US No. 3 yellow)	£126q	
Wheat (US Dark Northern)	£120.5x	+0.5
Rubber (spot)	70.50p	-0.25
Rubber (Oct)	77.00p	-0.25
Rubber [Nov]	77.50p	-0.25
Rubber (KL RSS No 1 Oct)		
Coconut oil [Philippines]5	\$570w	
Palm Oil (Melaysian)s	\$440s	
Copra [Philippines]	\$365×	-1
Soyabeana (US)	\$208	-0.40
Cotton "A" Index	58.15c	~~~

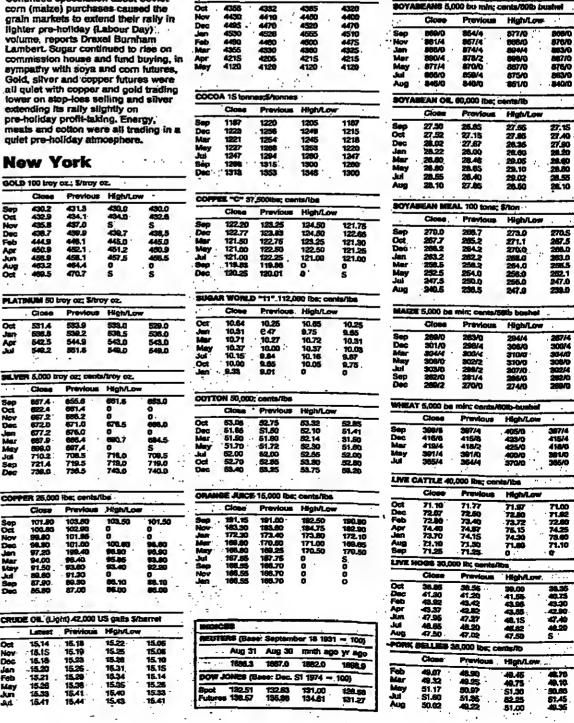
M/lb. r-ringgif/kg. y-Sep. q-Oct. x-Aug/Sep. /Oct. w-Oct/Nov. (Meal Commission aven

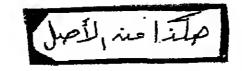
	864 S1S	905 848	876 850 880 809
Dec Mar	802	824	81S 790
May Jul	805 S1S	830 838	507 793 817 807
Sep	825	B48	829 814
Dec	865	888	868 852
price 1	Indicator   or Aug 31: r Sep 1: 1	prices (SDF	of 10 jonnes is per tonne), Das 149.96) :10 day aver 5.56) .
COFFI	Close	Previous	High/Low
Sop	1023	1019	1030 1014
Nov	1035	1032	1045 1026
Jen Mar	1032 1022	1036 1021	1045 1029 1032 1017
May	1015	1015	1028 1015
Jiy Sep	1022 1027	1010 1025	1026 1515 1025 1018
_			of 5 tonnes
			0 (106.53); . 15 da
SUQA Raw	R  5 per to	Previous	High/Low
Oct	246.40	238.00	246.20 237.00
Dec	249.60	239.00	236.00
Mar May	243.00 236.40	253.80 227.40	243.00 233.60 235.00 227.40
Aug	234.00	226.40	
		7775 00	
Oct	232.00	226.00	227.00
Oct White	Close	Prevines	High/Low
Oct White Oct		Prevines 257.00 248.00	High/Low 265.00 257.00
Oct White Oct Dec Mar	265.00 265.00 263.00	257.00 248.00 253.50	High/Low 265.00 257.00 261.00 255.00 262.00 255.00
White Oct Dec Mar May Aug	265.00 265.00 263.00 264.00 265.00	Prevines 257.00 248.00	High/Low 265.00 257.00 261.00 255.00 262.00 255.00 259.50 256.50 268.80 255.00
Oct Oct Dec Mar May Aug Dec	265.00 265.00 265.00 264.00 264.00 264.00	Prevines 257.00 248.00 253.50 252.00 250.00	High/Low 265.00 257.00 261.00 255.00 262.00 255.00 259.50 256.50 266.60 255.00 255.00
Oct White Oct Dec Mar May Aug Dec Turnor White Parls-	Close 295.00 255.00 263.00 264.00 265.00 264.00 2715 [1516 White (FF	Prevines 257.00 248.00 253.50 252.00 250.00 7285 (2388)	High/Low 265.00 257.00 261.00 255.00 262.00 255.00 259.50 256.50 268.80 255.00
White Dec Mar May Aug Dec Turnos White Parls- Mar 10	Close 295.00 255.00 263.00 264.00 265.00 264.00 2715 [1516 White (FF	Prevines 257.00 248.00 253.50 252.00 250.00 7285 (2369) 5)	High/Low 285.00 257.00 281.00 255.00 282.00 255.00 285.50 256.50 256.60 255.00 255.00 lots of 50 tonner Oct 1690, Dec 1656 675 Oct 1680
White Oct Mar Mar May Aug Dec Turnor White Parls- Mar 16	Close 295.00 265.00 265.00 265.00 264.00 295.00 2715 [1516 White (FFI 865, May 1	Previous 257.00 248.00 253.50 252.00 250.00 7285 (2369) ) per tonne) 660, Aug 1	High/Low  285.00 257.00 281.00 255.00 281.00 255.00 285.50 256.50 256.60 255.50 255.00  10ts of 50 tonner  Cot 1690, Dec 1686 675 Oct 1680
Oct White Oct Dec Mar May Aug Dec Turnon White Parls Mar 16	Cices 265.00 265	Prevines 257.00 248.00 253.50 252.00 250.00 7285 (2369) 5)	High/Low 285.00 257.00 281.00 255.00 281.00 255.00 282.00 255.00 255.00 255.00 10ts of 50 tonner Cot 1890, Dec 1886 675 Oct 1890
Oct White Oct Dec Mary Aug Dec Turnor White Parls- Mar 16 GAS 0	Cices 266.00 265.00 285.00 285.00 285.00 284.00 286.00 284.00 284.00 285	Previous 257.00 248.00 253.50 252.00 250.00 7285 (2389) )	High/Low  285.00 257.00 291.00 255.00 291.00 255.00 259.50 256.50 259.50 256.50 255.00 10ts of 50 tonner  Cot 1690, Dec 1686 675 Oct 1690  High/Low  127.75 125.00 132.50 131.00
Oct White Det Dec Mar May Aug Dec Turno White Parls Mar 10 GAS O	Cices 266.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 2715 11516 White (FF 565, May 1 565, The cices 126.75 128.00 131.50 133.50 132.00 132.00	Previous 257.00 248.00 253.50 252.00 250.00 7285 (2388) )	High/Low  285.00 257.00 281.00 255.00 281.00 255.00 285.00 256.50 256.50 256.50 256.00 256.50  Oct 1690, Dec 1686 675 Oct 1690  High/Low  127.75 125.00 132.55 123.00 132.55 131.00
Oct White Oct Dec Mar May Aug Dec Turnov White Paris- Mar 16 Ges Oct Nov Dec	Cices 266.00 265.00 265.00 265.00 265.00 2664.00 2664.00 2664.00 26715 17516 White (FF: 565, May 1 129.00 131.50 132.50 132.50 132.50 132.50 132.50 132.50 1	Prevines  257.00 248.00 253.50 253.50 252.00 250.00  7285 (2368) 3) per tonnel 660, Aug 1  Previous  127.75 130.25 134.75 132.50 129.75	High/Low  265.00 257.00 261.00 255.00 262.00 255.00 259.50 256.50 256.50 255.00 255.00  lots of 50 tonner  Cot 1690, Dec 1686 675 Oct 1680  High/Low 127.75 126.00 130.25 128.50 134.25 133.00 132.25 133.00 130.00 128.25
Oct White Oct Dec Mar May Aug Dec Turnor Turnor Occ Sep Oct Sov Occ Jan Apr	Cices 266.00 265.00 265.00 265.00 265.00 265.00 266.00 266.00 266.00 266.00 267.15 1515 505. May 1 267.15 1515 505. May 1 267.15 1515 505. May 1 267.00 131.50 132.50 132.50 132.50 132.50 132.50 132.50 132.50 132.50 132.50	Prevines  257.00 248.00 253.50 253.50 252.00 250.00  7285 (2389) ) per tonnel 660, Aug 1  Previous 127.75 130.25 132.50 134.75 132.50 129.75	High/Low  285.00 257.00 281.00 255.00 281.00 255.00 285.00 256.50 256.50 256.50 256.00 256.50  Oct 1690, Dec 1686 675 Oct 1690  High/Low  127.75 125.00 132.55 123.00 132.55 131.00
Oct White Dec Dec Mar May Aug Dec Turnoo White Paris Hov Dec Lov Dec L	Cices 266.00 265.00 265.00 265.00 265.00 2664.00 2664.00 2664.00 2664.00 26715 1515 1515 1515 1515 1515 1515 1515	Prevines  257.00 248.00 253.50 253.50 252.00 250.00  7285 (2389) ) per tonnel 660, Aug 1  Previous 127.75 130.25 132.50 134.75 132.50 129.75	High/Low  265.00 257.00 281.00 255.00 282.00 255.00 285.50 255.50 265.50 255.00  10ts of 50 tonned 10ts of 50 tonned 127.75 125.00 130.25 122.50 134.25 133.00 132.25 131.00 130.00 129.25
Oct White Oct Mar Mar Mar May Dec Turnov White GAS O GAS O GAS O GRAP Curnov Clan GAS O GRAP Curnov	Cices 266.00 265.00 265.00 265.00 265.00 265.00 265.00 266.00 265	Prevines  257.00 248.00 253.50 253.50 252.00 250.00  7285 (2389) ) per tonnel 660, Aug 1  Previous 127.75 130.25 132.50 134.75 132.50 129.75 137.50	High/Low  265.00 257.00 281.00 255.00 282.00 255.00 256.50 255.50 256.60 255.00  lots of 50 tonned  Oct 1690, Dec 1686 675 Oct 1690  High/Low  127.75 126.00 130.25 128.50 134.25 133.00 134.25 133.00 132.25 131.00 130.00 128.25 128.50
Oct White Oct Mar Mar Mar Mar Mar Mar Mar Occ Turnov White GAS Occ Jan	Cices 266.00 265.00 265.00 265.00 265.00 266.00 2715 11516 White (FF 565, May 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Previous 257.00 248.00 253.50 253.50 252.00 250.00	High/Low  285.00 257.00 281.00 255.00 282.00 255.00 288.50 256.50 256.60 255.00 255.00  lots of 50 tonner  Cot 1690, Dec 1686 675 Oct 1680  High/Low  127.75 126.00 130.25 128.50 132.55 131.00 132.55 131.00 130.25 133.00 130.00 128.25 130.00 128.25
Oct White Dot Dot Mary Aug Dec White Paris White Oct Nov Dec Jan Apr Turnov	Cices 266.00 265.00 265.00 265.00 265.00 265.00 265.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 132	Previous 257.00 248.00 253.50 252.00 250.00	High/Low  285.00 257.00 281.00 255.00 282.00 255.00 285.50 255.50 256.60 255.50 256.60 255.00  lots of 50 tenner  Oct 1890, Dec 1686 675 Oct 1880  High/Low  127.75 126.00 130.25 122.50 132.25 131.00 134.25 133.00 134.25 133.00 132.25 131.00 130.00 123.25 128.50 100 tennes  High/Low  108.80 108.56 110.85 110.85
Oct White Dot Mar May Aug Dec Mar Virtua Paris- Mar Mar 11 (12 ) Control	Cices 265.00 265.00 265.00 265.00 265.00 265.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 267.5 Say 1 267.00 266.00 267.5 Say 1 267.00	Previous  257.00 248.00 253.50 253.50 252.00 250.00	High/Low  265.00 257.00 261.00 255.00 261.00 255.00 269.50 256.50 256.50 255.00 255.00  lots of 50 tonner  Cot 1690, Dec 1686 675 Oct 1680  High/Low 127.75 126.00 130.25 128.50 132.50 131.00 134.25 123.00 130.20 128.25 128.50 100 tonnes
Oct White Dec Mar May Aug Dec Turnon White Dec Turnon White Bep GAS O C GAS O	Cices 266.00 265.00 265.00 265.00 265.00 265.00 265.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 266.00 132	Previous  257.00 248.00 253.50 253.50 252.00 250.00 7285 (2369) 3) - per tonnel (660, Aug 1  Previous  127.75 130.25 134.75 132.50 134.75 132.50 134.75 132.50 134.75 132.50 134.75 132.50	High/Low  265.00 257.00 261.00 255.00 261.00 255.00 262.00 255.00 256.50 256.50 256.50 256.50 256.00 255.00  10ts of 50 tonned  Cot 1680, Dec 1686 675 Oct 1680  High/Low  127.75 126.00 132.50 131.00 134.25 123.50 132.50 131.00 130.00 122.25 126.50  100 tonnes  High/Low  108.80 108.55 110.65 110.65 113.65 110.65
Oct White Dec Mar May Aug Dec Turnon White Dec GAS Oct No GAS Or Fine Fine Fine Fine Fine Fine Fine Fine	Cices 266.00 265.00 265.00 265.00 265.00 265.00 266.00 266.00 266.00 267.15 [1516 White (FF 555, May 1 1516 Ma	Previous  257.00 248.00 253.50 253.50 252.00 250.00 250.00  7285 (2389) ) per tonnel 660, Aug 1  Previous 127.75 130.25 132.50 129.75 127.50 2580) lots of  Previous 108.35 110.25 113.00 118.15 Previous	High/Low  285.00 257.00 281.00 255.00 282.00 255.00 285.50 255.50 256.60 255.50 256.60 255.00  10ts of 50 tennes  Oct 1890, Dec 1686 675 Oct 1880  High/Low  127.75 126.00 130.25 128.50 132.25 131.00 134.25 133.00 134.25 133.00 132.25 131.00 130.00 123.25 128.50 100 tennes  High/Low  108.80 108.56 110.85 110.65 113.65 113.60 116.15 116.00 112.70 118.60 High/Low
Oct White Dot Mar May May May Doc Mar Turnon White Paris- GAS O GA	Cices 265.00 265.00 265.00 265.00 265.00 265.00 266	Previous  257.00 248.00 253.50 252.00 250.00	High/Low  265.00 257.00 261.00 255.00 261.00 255.00 262.00 255.00 259.50 256.50 256.50 256.50 255.00  lots of 50 tonned  Cot 1680, Dec 1686 675 Oct 1680  High/Low 127.75 126.00 132.50 131.00 132.55 131.00 134.25 133.00 132.55 131.00 130.00 128.25 128.50  100 tonnes  High/Low 108.60 108.55 110.65 110.65 113.65 110.55 113.65 110.55 113.65 110.50 116.15 116.00 High/Low 102.25 102.00
Oct White Doc Mar May Aug Doc Turnov White Bep GAS O GAS O GRAND Feb GRAND Feb Grand	Cices 266.00 265.00 265.00 265.00 265.00 266.00 266.00 2715 [1516] 266.00 2715 [1516] 266.00 2715 [1516] 266.00 2715 [1516] 266.00 2715 [1516] 266.00 2715 [26.00 26.75] 28.00 132.00 132.00 132.00 26.00 26.55 113.50 26.00 26.55 113.50 26.00 26.55 113.50 26.00 26.55 113.50 26.00 26.55 113.50 26.00 26.55 113.50 26.55 113.50 26.00 26.55 113.50 2	Previous 257.00 248.00 253.50 253.50 253.00 250.00	High/Low  285.00 257.00 281.00 255.00 282.00 255.00 285.50 255.50 256.60 255.50 256.60 255.00 255.00  lots of 50 tenner  Oct 1690, Dec 1686 675 Oct 1680  High/Low  127.75 126.00 130.25 128.50 132.25 133.00 134.25 133.00 134.25 133.00 134.25 133.00 134.25 133.00 134.25 133.00 130.00 123.25 128.50 100 tennes  High/Low  108.80 108.55 113.65 113.65 113.65 113.65 113.65 113.60 112.70 118.60 High/Low  102.25 102.00 102.25 102.00
Oct White Oct Mar Mar Mar May Dec Turnov White GAS O GAS O GAS O GRAP Curnov Clan GAS O GRAP Curnov	Cices 296.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 265.00 132.50 132	Previous 257.00 248.00 253.50 253.50 253.00 250.00	High/Low  265.00 257.00 281.00 255.00 282.00 255.00 285.50 255.50 285.50 255.50 265.50 255.50  lots of 50 tonned  Cot 1690, Dec 1656 675 Oct 1680  High/Low  127.75 125.00 130.25 123.50 134.25 123.50 134.25 133.00 132.25 131.00 130.20 129.25 126.50 100 tonnes  High/Low  108.80 108.55 110.85 110.85 113.60 112.70 118.60 High/Low 102.25 102.90 105.60 105.25

LONDON	METAL EXC	HANGE		Prices supplied !	y Amelgamet	ed Metal Tradi
	Close	Previous	High/Low	AM Official	Kerb close	Open Intere
Aluenimies	1, 89.7% park	y (5 per torme)			Ring 9	urnover 450 tor
Cash 3 months	2670-90 2610-80	2780-800 2785-65		2870-80 2805-25	2615-30	9,107 lots
Akaniolog	1,98.5% park	(I per torme)			Ring turn	over 20,025 tor
Cash 3 months	1597-802 1528-7	1654-9 1568-9	1548/1522	1590-5 1520-2	1529-8	42,471 lots
Copper, G	red 2) A sheri	torme)			Ring turn	over 17,475 to
Cash 3 months	1412-4 1365-6	1397-0 1375-6	1404/1402 1386/1978	1404-5 1382-4	1389-4	62,257 lots
Copper, 3	tenderd (C po	r torane)			Ring	turnover 0 tor
Cash 5 months	1335-45 1325-36	1330-40 1320-30		1330-40 1320-80		37 lots
Söver (US	cents/fine ou	nes)			RI	ng turnover S o
Cash 3 months	636-9 670-3	650-2 654-6		651-4 665-8		464 Total
Leed (C pe	or tonne)				Fling furn	over 10,225 ton
Cash 3 months	361-3 367-9	365-7 371-4	363 372/365	363-4 368-9	368-9	11,285 lots
Mickel (\$	per tonne)				Ring to	urnover 792 ton
Cash 3 months	13200-50 12800-50	13250-350 12825-75	13250/1320 12950/1280		12800-25	5,985 lots
Zinc (5 pe	r tonne)				Ring tur	never 9,175 ton
Cesh 3 months	1355-60 1323-6	815-7 804.5-5	1365/1367 1355/1325	1386-7 1329-30	1029-81	21,903 lots
POTATOR	& E/tonne			LONDON SIAL		
		lous High/Low		Gold (fine oz) \$		£ equivalent
Nov Feb Apr	69.0 67.0 77.0 76.0 98.5 95.0			Close 43 Opening 42 Morning fix 43 Alternoon fix 43	50 ½-431 19 ½-430 10.30	257-257 ½ 255½-255 256.055 256.038

Zinc (\$ pe	r lanne	)				Ring	turnever (
Cash 3 months	1355- 1323-		15-7 04.5-5	1365/1367 1355/1325	1386-7 1329-30	1029-01	21,5
POTATOR	ES E/tor	104			I CHINCH T	ULLION MARS	
$\overline{}$	Close	Previous	High/Low		Gold (fine oz		£ equ
Nov	69.G	67.0			Close	430 2-431	237-2
Feb	77.0	76.5			Opening	429 2-430	255-2
Apr	98.5	95.8	99.5 97.2		Morning fix	430.30	256.0
Turnover	370 (2	illy lots of 4	U tonnes.		Alternoon for Day's high	430 2-431	256.0
SOYABEL	UI MEA	L C/tonne			Day's low	429 2-430	
	Close	Previous	Highlow	_			
	173.00	171.00	173.00 171.	.00	Coles	5 price	Tupe 1
	183.00	178.00	185.00 188.00		Mapleleet	443-445	264-26
	188.00 186.00	183.50	186.00		Britannia.	443-449	264-26
_		3) lots of 2			US Espie Angel	443-448 441-448	264-26
INTROVER	303 IH	134 10th Ot 5	O SOUTH		Krugerrand	430-633	257-25
CHEMINAL PROPERTY.		23 \$10/Inde			New Soy.	101-102	60-603
					Old Sov.	101-10272	80-61
	Close	Previous	High/Low		Noble Plat	545.85-552.5	324.64
	1375	1395	1385 1370				
	1505	1505	1514 1480		Obarr de		110 -1
	1537 1585	1570	1570 1550		Street Se	p/line oz	US et
	1388		1306 1375		Spot	369.76	654.70
BFI '	1272	12/2			3 months	401.93 413.45	883.90
Turnover	556 (22	11)			12 months	436.80	714,50
ENGLISH EVALUATION EVALUATION BEARMING Groet Gro	H DISCA  et 30-4  et 30-4  et 30-4  et 10-2  ere 40-9  ere 15-  weeks b  weeks b  weeks b  ere 15-  weeks b  ere 15-  ere 40-9  ere 15-  ere 40-9  ere 40-9	olding are 34 are 30-50 pand New 25p. English rest buy at 3 in the sho war to 40-80; ty at 40-65; good at 40 or are 50-60; S-52p. Rour sh losberg at the sho war to 40-80; the short of the	es remain glish Howgs 0-45p, while p, reports Fi ne seedless / Zeeland 1 Victoria pk (0-65p, Piem) os at 25-50p b. Stick bean and all type	PVIS.	Altershilden (i Strike price 2650 Altershilden (i 2700 Copper (Gran 2300	\$ torane Sec 90.5%) (	E TRADE

361-	•	368-4		112	285 lots
			Ring :	urneve	792 tonn
	77-200 50-800	12800	1.95	E 151	5 lots
2/5	~~~				
****	-	R	mg cur	HOVE	9,175 tonne
1386		1329-	31	21,5	CS lots
LONDO	M SUR	TION R	ARKE	T	
Gold (N				£ equ	rivalent
Close		130 y-431		237-2	57 2
Morning	fix .	(29 <sup>1</sup> 2-43)	,	255 <sup>1</sup> 2 256.0	55
Alterno	on fix	130.40		256.0	38
Day's h	74	130 ½ -431 129 ½ -430			
Cales				2	
Coles		price 43-445			fvalent
Maplele Britanni	. 4	43-448		264-26 264-26	77
US Eagl Angel	. 4	43-448 41-448		264-26	37
Krugerri	end 4	30-733		263-26 257-25	<b>59</b>
New Son	y. 1	01-102 01-102 1 <sub>2</sub>		60-60 60-61	
Noble P		15.85-55	1.5		328.66
Strer 4	K P	viine oz		US et	s equiv
Spot		69.75		654.70	
3 month 0 month		13.45		665.65 683.90	
12 mont	hs - 4	36.60		714,50	,
	. mirro	LEYOU	-	7045	D OPTION
Alumini			Cal		Pus
Strike p	_		Sept		Sept Nov
2650					122
	teta (99	5%)	Ca	ls.	Puts
Allembr			49		
Allembri 2700					
2700	(Grade	A)	Cal	lis	Puts
	(Grade	AJ	_	Hs	Puts 11S





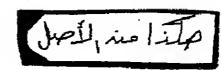
THE MAN TO SERVICE STATE OF THE SERVICE STATE OF TH

ne

4 1 15

125 125 125

AN AN PARK AN ANN AN ANN AN ANN AN ANN



### **WORLD STOCK MARKETS**

AUSTRIA				200			
Sertember 1 Sets der	FRANCE	GERNARY (continue)	NETHERLANDS (continued)	SWEDEN (continued)			
Creditantial   1,995   5	Statemer 1 Frs. +er-	September 1 No. + er-	September 1 Flc. + or -	September 1 Krener + ar-	CANADA		
200   200	Accor 423 -8 Air Leader 502 -2		Hed Mid Bank 186.50 +0.7	Stan Enskilda 162 -3 SIG B Free 292 -2	U/41175077		
hadraniari 11.640 hadraniari 7.600 40 Laenderbank 387	Alcand 1925 44 9/6 715 -15 BIP (Cart.lint.) 207 -15 Bongcoin 2,402 +2	Holzense (P)	Meditori   220.26 -2.8   Oct Gristra   289.00 -1	SIGT B First 29/2 -2 St Known'ry A First 317 st -1 Sirks Cell Fig B G-rest 2555 -2 Sirks Hardischn 123 -2 Volvo B G-rest 255 +2	Sales Stock High Low Close Cing , Sales Stock High Low	er Close Chilip , Sales Stock High Low Close China	Sales Stock Mark Low Close C
Perlmosser	BIC 715 -15 BRP (Cert.lec) 207 - 3	Hertet 190 -1	Paideel	Stiz Hanteistin. 123 -2	Sales Stock High Low Close Cimg Sales Stock High Low 6252 Common \$18 2 18 4	18 2 - 1 19177 Internome 647 47 - 1	Sales Stock   High Low Close C 500 Reyrock ! SS1 <sub>2</sub> 77 <sub>3</sub> 77 <sub>2</sub> - 1 <sub>6</sub>
Perimoser	Bongrafe 2,402 +2 Bongoes 411 -6	Karstalk	Philips 31.90 -0.5 Roberto 91.40 -1.1 Roberto 150.00	Value 8 (Feet) 1325 1-2	Sales Stock High Low Close Cing Sales Stock High Low Close Cing Sales Stock High Low Close Cing Sales Stock High Low Cing Cing Computing Sales Sales Sales Stock High Low Cing Cing Computing Sales Sales Sales Stock High Low Cing Cing Cing Cing Cing Cing Cing Cing	144 144 - 4 2000 lav Grp 5134 134 134 - 4	500 Reyrock 1 \$81 <sub>8</sub> 77 <sub>8</sub> 77 <sub>8</sub> - 1 <sub>6</sub> 2100 Redpeth \$101 <sub>2</sub> 101 <sub>2</sub> 101 <sub>2</sub> - 1 <sub>8</sub> 63 Rd Stenles 8 \$27 27 27
PELGIUN/LUXENDOURG	Durgues 411 4 8SH 4915 34 Cerefor 2376 4	1010 137 II				7 - 16 S401 Ipaco \$181, 181, 181, 181, 181, 181, 181, 181	27055 Renisance \$15 % 12% 12% "
September 1 Fri + or -	-   UND MEDILITIME   424   -35	Helicolumn   154.1   -2.4	150.00   150.00   150.00   150.00   150.00   150.00   150.00   157.00   1	SWITZERLAND		71, 1714 + 1 35400 Jannock \$16 154 16 + 1 36 Kerr Add \$184 184 154 - 1	200 Repap f \$11½ 11½ 11½ 11½ - ½ 48175 Rio Algom \$21½ 21½ 21½ 21½ + ¾
B.B.L	Cle Rancaire 473 43 Cle Fin. de Seez 46	(arthans) 198 -2.5 MAR 199.5 -2.5	Royal Detch 226.20 -1.6 United 108.50 -1.2 VMF Stark 20.40 -0.2	September 1 Prs. + er -	19052 Ababl Pr 5205 2014 2014 - 1 100 Coscan BIB14 1014		4050 Rocers R f \$52% 52 52 -
B.B.1 2.650 -15 Baugas Gen. Du. Linx 23,900 Bank lott. 8 Linx 13,200	Cle Fin, de Saex 284 -6 Carlinee 285 -1 CLE 316 45	Marcedes HM 516 1-6	VNF Stark 20.40 -0.2	Ahmise	6300 Agrico E 515 2 15 2 15 2 15 2 30500 Crosers A 1 465 4	814 - 14 82945 Lec Maris \$14 13 12 13 13 - 18 480 495 + 18 64338 Leterge p \$21 14 20 12 21 14 12	300 Roman \$114, 114, 114 - 14 145566 Royal Brit \$33 321, 321, - 1 11609 RyTros A \$151, 151, 151,
Balant B 11,300 150 Capen CBR 6,250 50	Dagger S.A	Metallyssell   275	Westage	Bank Lau	19484 Albrita En \$16 4 15 4 15 4 15 4 1800 Devision A \$54 5 5 1788 Albrita M \$15 144 16 4684 Devision B 1 485 6	#80 405 + 18	11600 RyTree A \$15½ 15½ 15½ 15½ 15½ 15½
Cockerili	Domes S.A. 650 -15 Domes S.A. 650 -10 Emor (Ge Ger) 1,105 -3 Elf-Australes 316 -2	### 152   -2.5	1200	60 (PrOS) 2 085 1-40	312967 Alexa S87 tg 20 tg 30 tg - 1 19950 Derman S112 1114 1100 Algo Cent S22 tg 22 tg - 2 tg	117 - 5 600 Laur Gr B 5112 712 712 55 55 + 4 13040 Lausinia A 51314 1314 1314	5000 SNC A f S1 7 7 22400 St. ComA f S11 1 11 2 11 1
Column 8560 48 Delicator 4400 10 EBCS 4275 170	Elf-Apatesian 316 -2 Equitor 2,275 -5 Con Geridentain 6/95 -5	Pressure 168 -3. Raein West Elect 226 -2	MORWAY	Credit Suisse 2,500 Elektrowatt 2,900	100 Algo Cent 522½ 22½ 2½ 2½ 5 84820 A Barrick 221½ 21 21½ 3 1000 Alzo 1 1 21½ 21½ 3 1000 Alzo 1 1 21½ 21½ 3 17504 BCC bts 236½ 35½ 35½ 1 12570 BCC B 236½ 35½ 35½ 1 12570 BCC B 236½ 35½ 35½ 1 12570 BCC B 236 335 335 1 12570 BCC B 236 355 1 12570 BCC B 236 355 1 12570 BCC B 236 355 1 12570 BCC	28 - 1 1700 Lobiew Co \$12 1 12 1 12 1 + 5 2 15 1 12 1 + 5 3 3000 Lorwest \$18 17 2 17 3 - 1 20 12 1 12 1 + 5 30 Loronics \$60 440 450 + 15	1935 Sestroit 38 ls 8 ls 8 ls 12800 Sceptre 400 396 400
Fabrique Hal	Exiter 2.275 -25 Gen. Gerbiestale 675 -5 Kanas 720 -3	Rocenthal 235	September 1 Kreer + er -	- Fischer (Geo.)   1,060   -10	7505 6CC hn 2504 842 383 - 1s 1520 D 7emille 5157 187 187 1875 1876 BCE 0 340 385 385 - 10 2500 December 5128 124 18 1800 December 5128 124 18 1800 December 5128 12 10 1900 BC Segar A 536 274 274 - 1 200 December 5128 15	7, 15 7, 200 MS 6 524 24 24 24 24	9935 Soptis ( \$735 184 134 - 5
GB lene 8M	LVMR 200 -3	Scherlag 490.9 -6.1 Siemes 421.6 -4.4	Ate Pages 1	Hoff-Rocke (P1036 119,000 Hoff-Rocke 1/10 11,900 -25	12576 BCE D 340 385 335 335 10 256 10 2500 Donohum \$18 1 15 1190 BC Super A 535 22 14 27 4 - 16 200 Du Pont A 528 1, 281 1700 BGR A \$10 4 10 15 10 15 15 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	181, 400 MDS A \$261, 261, 261, 1, 251, 261, 1, 45000 MOS 6 \$241, 241, 241, 241, 1	148519 Sengram \$651 <sub>6</sub> 641 <sub>4</sub> 65 - 1 <sub>6</sub> 20679 Sears Can \$12 12 12
Beleart B	LVMM	Numuri Ruct   2,050   4    Numuri Ruct   2,050   4    Numuri Ruct   253   8    Pressing   1,44   -3     Ruch West Elect   226   -2     Rucenthal   275   -4     Schering   499,9   -6,1     Schering   499,9   -6,1     Schering   499,9   -1,4     Varta   267,5   1,5     Varta   254   -5     Varta   254   -5     Varta   254   -5     Varta   267,5   -5     Varta   268   -1,5     Valuration Variation   265   -1,5     Valuration Variation Variation   265   -1,5     Valuration Variation Variat	Sergers Basis	Hedf-Rocke (Prints   119,000   Hedf-Rocke (Prints   119,000   -25   Hedge (Prints   11,000   -25   Hedge (Prints   12,100   +40   Hedge (Prints   12,100   +40   Hedge (Prints   12,100   +60   Hedge (Prints   12,100   +105   Hedge (Prints   11,175   +15   Hedge (Prints   11,175	20714 BP Canada \$16's 18's 18's + 4 2000 Dylex A \$16's 16's	12 1012 - 14 12500 ktac Kenzie 430 420 425 2 2172 - 12 144200 Mclan H X \$1116 1114 114 + 14	35000 ShawC B ( \$8% 9% 9%
Hybritan 3,650 +20   140		Veha 254 -1.5	Carrietacta Bk 104.00 Den Horske Credit 91.00 sr +1	Jeleo 3 2740 -5 1240 -10	271043 Bt. Month 327 3 27 - 5 50 Emplos A 1 31 11 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13	71-14 42000 Marmilan CIRL 17% 17% - 4	61270 Streetle \$9 8% 8% - %
Kredistank	Matra S.A.   178   -0	V.E.W. 159.4 Vercia-West 235 Volkswages 245 -1.5	Ellen	Nestie R.210   -105 Oer-Bahrie 1 175   -15	124561 Sk NScot \$14 131s 137s is 3700 Erdeld \$71s 71s 7700 Beton \$121s 131s 131s 331s 33000 Equity 64 A \$51s 51 50000 Equity 64 A \$51s 51 50000 Equity 64 A \$51s 51 51 50000 Equity 64 A \$51s 51 51 50000 Equity 64 A \$51s 51	7 75 - 14 42322 Macmium	100 Sico \$11 11 11 + 4 2200 Sonore 350 350 500
Petrolina 12675	Mid (Cia) 1279 -17	125 125	Kospes 108 50 -1.5	Pargess Hide	2000 Bombdr A \$114 114 114 4 4 ext to 14	3521 Maritime 1 \$16 <sup>1</sup> 2 18 <sup>1</sup> 2 18 <sup>1</sup> 2 18 <sup>1</sup> 4 18 18 18 18 18 18 18 18 18 18 18 18 18	24800 Southern \$20% 20% 20%
Royale Beige	Mich (Cla) 1279 -17 Moutinex 106 -2 Rord Est 96 -1	ITALY	Morsk Data 57.00 -1	Sander (Br) 12,125 -150 Sander (PtCts) 1,910 -20	1 8008 Fed Ind A \$161, 165	it set i . am Matell M wal the Ole - h	4641 Spar Aero f \$18½ 19½ 19½ - 7400 Steinbg A f \$30½ 30¾ 30¾ +
Banges Gez. Du. Lin. 13 5000 — Bank teht. & Linr. 13 5000 — Bedsert B. 12 13 5000 — Bedsert B. 12 13 5000 — Cohert B. 2500 — 48 Cohert B. 2500 — 49 Cohert B. 4200 — 70 Fairings Rat. 256 — 40 Gestert B. 1272 — 45 Gestert B. 1270 — 55 Gestert	Perties 999 -0 Pernol Bicacl 1,851 -24 Perries 925 -8	September 1 Lice + ar -	Kosons 100.50 -1.5 Kosons 200.50 -1.5 Kosons 210.00 -1.5 Kosons 100.50	Sender (Prices 1 410 -20 Schinder (Prices 675 -20	14/72 Brancath A \$25°1 25°4 25°5 1900 Fed Pion \$11½ 11½ 125°0 Feb Pion \$51½ 11½ 11½ 125°0 Feb Pion \$51½ 11½ 125°0 Feb Pion \$51½ 125°0 Feb Pion \$22°0 25°0 Feb Pion \$20°0 Feb Pio	2588 Missoum 3297 2016 2016 + 18 25100 Miss Corp 250 335 - 5 3157 Missoum 1 3257 2514 2512 + 14	7400 Steintog A f \$301 <sub>2</sub> 303 <sub>8</sub> 303 <sub>8</sub> + 14300 Steico A \$23 221 <sub>2</sub> 221 <sub>6</sub> - 17550 TCC Bev \$71 <sub>2</sub> 71 <sub>2</sub> 71 <sub>2</sub> - 1
Stampick inti	Pugent S.A	Descriptions (1931)	Startment	ServeRuse 4775 -75 Seriestr 1115 -25	2000 DC Farth 3101 1010 1614 1710 1710 1710 1710 1710 1710 1710 17	22 184 - 1900 M Trusco St64 161 161 161 161 177 177 18 180 181 181 181 181 181 181 181 181	7515 Teck 8 1 \$14% 14% 14% - 5 680 Tember A \$74 74 74 - 3
10,170	Printempt Au 526 -13 Radiotech 701 -33	CR 5.415 416 Crefits Salingo 1191 8 Flat 9,245 445		Swiss Bank	1257 Bruttor \$17% 17% 17% 18 22800 FMarathA   \$7% 7: 18450 CAE 89% 632 832 132 132	7½ 7½ 14 92031 Moore \$27½ 27 27½ 1881 122 8861 Mussoche 400 395 395 5 19½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 10½ 1½ 1½ 1%	1816 Terra Min 71 71 71 - 1
Wagons Lits	Mathors   Math	Several Assicur   91,250	SPAIN September 1 Pts.% + ar -	Princit   220 - 3   Sandar (Br)   12   125 - 150   Sandar (Br)   12   125 - 150   Sandar (Br)   12   125 - 150   Sandar (Br)   12   12   12   12   12   12   12   1	14450 CAE 88% 87% 872 872 1000 CB Pak 518 18 18 18 18 18 18 18 18 18 18 18 18 1	201. 201. L \$ 14100 N Rusinass 126 175 175+ 2	2007 Texaco Can \$38% 38% 38% 3612 +
DEKHARK	Si Cabala 462 -6	Research Asslore 91.250 tralcongeri 1 110.100		Delos Bank	1200 CFCF 520 28 20 + 1 22300 Franco o Sale 6	201, 201, - 1, 14100 N Business 176 175 175+ 2 13000 Nt VG Trop 225 2 25 2 25 2 1 241, 241, 15000 Norma A \$151, 151, 151, - 151, 151, -	9000 Thom N A \$27 12 27 12 27 15 + 249450 for Dm Bit \$34 33 1 33 12 -
September 1 Kr + er - Baldka Hidas 507 \$	Schnes	La Remonth	Alcozar	Zirick Im 15,400 1-75	2000 Cambitor 5145, 144) 145, 2250 Fraccio b 585 6 2150 Cambitor 5145, 144) 145, 226, 246, 247, 2700 Cambitio 524, 248, 270, 2700 Cambitio 524, 248, 2700 Cambitio 544, 21, 21, 210, 210, 210, 210, 210, 210,	14 24'4 SKOO Noma A SIS'3 15'9 15'4 1 18 1 1 1 10000 Nomand SKO 15'5 15'4 15'4 1 18 18 18 1 10000 Noreman SKO 15'4 15'4 15'4 1 1000 Norem SIS'4 18'4 18'4 18'4 18'4 18'4 18'4 18'4 18	368 Tor Sun \$22 la 22 la 22 la + 1 40000 Torono B 1 \$27 \ 27 \ 27 \ -
Corlidore 11000 2.	Thomse (CSF) 172 -3	Otheris 10,012 -8 Pirelli Co 5,519 +9 Pirelli Spa 2,555 +20	Banco Exterior			8 18 - 1 12641 Moranda 822 1 22 1 22 1 1 1 1 1 1 1 1 1 1 1 1 1	400 Total Pet \$191 <sub>6</sub> 181 <sub>6</sub> 191 <sub>6</sub> 39566 Trinata U \$131 <sub>6</sub> 131 <sub>6</sub> 131 <sub>6</sub> 1-1 <sub>6</sub> 31097 TrCan PL \$121 <sub>6</sub> 121 <sub>4</sub> 121 <sub>4</sub>
Caristery 1000 2 Cop Kandehbank 253.8 0.7 D. Sakkerfab 418.8 0.4	Total-Petroles Fr 528 +1 Vales 490 -10	Salore 2.260 -10	Banco Popular 1,715   Banco Sentanter 915	SOUTH AFRECA		17 24 25 4 2 25 4 2 25 4 2 2 2 2 2 2 2 2 2	25586 Trinkte U \$13\(\frac{1}{2}\) 13\(\frac{1}{2}\) 13\(\frac{1}{2}\) 12\(\frac{1}{2}\) 12\(\frac{1}\) 12\(\frac{1}{2}\) 12\(\frac{1}\) 12\(\frac{1}\) 12\(\frac{1}\) 12\(\frac{1}\) 12\(\frac{1}\) 12\(\frac{1}\) 12\(\frac{1}\) 1
Des Characte Chank 2347.2 +1.5 East Actable 209.9 +0.2 GNT Hollifus 195 -4.1 1.S.S. B Systems 660.3 -4.9		Toro Amicar 17,990 1278	Sacco Vincara 1.065 (	September 1 Rand + ar Abercom 2.95	### 800 C New West \$13 12 2 12 2 75 C Penders \$14 9 14 9 14 9 14 9 15 95 95 95 95 95 95 95 95 95 95 95 95 95	L AL L 19700 Nort 1 512 12 12 - 4	2000 Trimac 400 480 400
GRT Holding 195 41	tera Alberta Barra da Arra da A	WETWERLANDS.	Orașais 412 -13.5	Altercom 2.95		at 4t - t 1 16000 Nowsto W \$15t 15 15 - 4	2700 Trizoc A 1 \$33\2 30\4 33\4 - 100 Trizoc B \$35\2 35\4 35\4 - 1
Jysie Bank	CERMANY	September 1 Fis. + er -	Bertuera 127 -21	Adject Tech		45 445 - 18 1800 Number \$19 18 19 - 4	700 Unicorp A \$7% 7% 7%
Cop (Landeblank 23.5 - 0.7 ). Seiterfab 412.5 - 0.4 ). Seiterfab 412.5 - 0.5 ). Seiterfab 412.5	Stylember 1 Dm. + ar -	75 - 75 - 75 - 75 - 75 - 75 - 75 - 75 -	Barriero   1.090   1	Augia Am Corp 52.75 +0.25 Augin Am Gold 242.5 +3.5 Barriow Rand 20.65 +0.15			4100 Unigscoß f 365 380 360- 100 Un Carbid \$184, 184, 194,-
15.5   5 Systems   660.3   -4.9		ACF Holding		AEC 11.75 Albel Tech 62 Anglo Am Caul 42 Anglo Am Caul 42 Anglo Am Caul 42 Anglo Am Caul 42 Anglo Am Gold 242.5 Europ Raed 20.65 Europ Raed 20.65 Europ Raed 20.65 Europ Raed 20.65	224190 CTIVIN A 1 5181 1819 1819 1819 18 500 CTIVI Lisec \$121 12 2 500 CLIF AT \$181 1819 1819 1819 1819 1819 1819 1819	21, 121, - 1, 1806 Ones 1 513 1 15 15 15 12 12 1700 Ones Phy 514 55 54 55 54 175 175 - 1, 2600 Oshowe A 1 520 4, 261, 261, 201, 261, 261, 261, 201, 261, 261, 261, 201, 261, 261, 201, 261, 201, 261, 261, 201, 201, 201, 201, 201, 201, 201, 20	4605 U Enterties 30% 0% 0% 0% - 1
FINLANG	ASS 202.4 -0.1 ASS 1.480 -25 ASS 28.2 -2.3 Super 27.8 27.8 -2.4 Super 4000 335.1 -1.9 Shere-Versia 355.5 -1.9 Shift-Bank 47.4 -3 Shift-Bank 47.4 -6	ACF Holding 48.50 - 0.6 AESON 50.00 - 0.6 Aunid 62.10 - 0.8 AIZO 134.16 - 2.1 AIBN 41.20 - 0.5 AIRN 71.00 - 0.5	SWEDEN	8 difes 51.5 +0.75 Cl/A Carle Flague 3.2 +0.05		14 124 + 4 1 11700 Pourin A 1 334 54 54	67887 Varity C 355 345 345-
September 1 Mist + or -	Story 207.8 -24	Alia 41.30 -0.5  Alia 94.20 -0.8  Alia 94.20 -0.8  Alia 94.20 -0.8  Secionii Welny 99.00 -1  Buchmann-Tet 91.00 -1  Dordacke Petroleum 208.00 -2  Clemer Wel 95, 90 -0.1	September 1 Kroser + or -	De Beers	480 Canior 854 5 24 5 24 5 15 2 5 15 15 15 15 15 15 15 15 15 15 15 15 1	10 PanCan P 3241 24 24 24 2 3 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2	8200 Viceroy R \$7 <sup>2</sup> 4 7 <sup>2</sup> 4 7 <sup>2</sup> 4 - 2 6800 WIC B I \$13 <sup>2</sup> 5 13 <sup>2</sup> 5 12 <sup>2</sup> 5
Amer 194 +1	*Bare-Norole 325.1 -19 Bare-Verele 325.5 BHF-Bank 414 -3		ACA 8 (Free) 192 42 Alfa-Lassi 8 (Free) 390 -2	First Nat. Bank 14.5	27500 Carees 500 20 32 32 5	92007 Olenes M 97% 7% 7% 1	600 Weldwood \$16 k 16 k 16 k
Amer 194 14 Famish Supar 62.1 40.4 Hubitannih 1 Free 20.5 275 Hubitannih k Free 22.0 425 Kom 247 43.5	BHF-Bau 414 -3	Dordsche Petroleum 208.00 -2	ACA B Greek 192 fi2 Alfa-Land B Greek 340 -2 ASEA B Greek 340 -3 Astra B Greek 182 -1	First Nat. Bank		a second former flow sond and atti-	300 Wat France: \$18 <sup>1</sup> 2 16 <sup>1</sup> 0 18 <sup>1</sup> 2 19150 Woosel E 218 <sup>7</sup> 2 18 <sup>1</sup> 5 18 <sup>1</sup> 6 - <sup>1</sup> 10350 Westnin 210 <sup>1</sup> 6 18 18
100 - 200 - 300 -		Electic Miss 56.90 -0.1 Felder 31.50 -0.4	Astra B (Free) 152 -1 Atlas Copco A (Free) 206 -1	Righted Steel 7.25	4700 Collamese \$28%; 25%; 25%; 25%; 15%; 15%; 15%; 15%; 15%; 15%; 15%; 1	7 247 - 1 123635 Polynar E \$2012 2016 2519 - 1s	10350 Westmin \$101 <sub>6</sub> 18 18 2000 Weston \$33 221 <sub>6</sub> 33 + 1
Kont	Ontinestal AG 237 -28 Oninoles-Benz 646 -7	Glet Brocades 36.40 -1 -1 Helackes 141.50 -3.1	ASSA 8 Greet 347 -3 Astra 6 Greet 182 -1 Atlas Copon A Greet 206 -1 Electroist 8 Greet 253 -1 Ericson 8 Greet 253 -2 Esselte 6 Greet 253 -2 Esselte 6 Greet 253 -3	Gold Fleids SA 51 +0.5 Righterid Stael 7.25 Malcor Hilling 17.6 Redback 5.5 -0.05 ØK Bassars 11	2200 CantFid A 57 7 T 3000 Charan 305 300 300 5 351741 hrcs 3361 <sub>8</sub> 351 <sub></sub>	18   18   10   10   10   10   10   10	2000 Weston \$33 22 4 33 + 4 747 Wooded A 450 450 450+
Nyantese 121.5 +0.5 Netta 153.5 -0.5 Polijola 15 783.5 +0.4 Ramon Repuls 36.75 +0.2	Daincier-Benz	Hoogovers		0K Sassars 11 Rembrand 15.5 +0.35 Rest Plat 94.25 +0.5 Saftwarine & Ren. 10.5		11½ 11½ 300 Provigo \$16 10 10 10 17700 Quebcor B \$18¼ 16¼ 16¼ 16¼ - ¼	1—No voting rights, or restricted voting rights.
Ranca Repola 36.75 +0.2 - Sectionan B 210.5 -2.5 UBF C 31.75 -0.5	Dommerchine	100govets	Pharmacia 6 (Free) 148,4 Saab-Scanta B Free 1791		100 CHUM 8 2 277 4 17 4 17 4 800 Innopat 357 94 68610 Cimepter \$12 4 12 4 12 4 866894 Inner City \$204 18 7	2014 + 4 45500 Ranger \$718 678 7 - 12	- Ingenior
Amer 194 + 1 - 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 + 195 - 275 - 275 + 195 - 275 - 275 + 195 - 275 - 275 + 195 - 275 - 275 + 195 - 275	Feldmachie Hobel 267	Secanti Weby   99.00   -1	Electronic S-C rest	Sefementine & Res.   18.5   +0.5			
Utd. Paper Prf 127.5 -0.5. Wartsha \$110 205 +1.5	Henkel	Gist Bracates 36.40 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1	Mo Och Dom S Free 3687 Planmacia 5 Greet 146 4 Santh-Grad B Free 1791 Santh-Grad 216 +1 Stanth G Fred 216 +1 Stanth G Fred 146 Stanth ist 1512	SA Brewers			
7 1 9 11 1							

# 760 1,750 1,750 1,750 1,750 1,750 1,750 1,750 1,750 1,760 1, **95552014年 | 522日 | 32198日 | 1985 | 19 | 1987 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 |** वि वित्र वित्रेष्ठ्य । वित्रुष्ट्र । 1,100 1,670 4,100 1,840 1,440 1,440 1,540 677 815 11,100 775

**TOKYO - Most Active Stocks** Thursday 1 September 1968 Closing Change Prices on day 820 -25

Travelling on Business? Hotel Cravat, Holiday inn, Intercontinental Hotel, Hotel FINANCIAL TIMES

NEW YO	RK	<i>r</i> .	DO	M JO	NES				ī
		Aug	Mg !	April 1		1966	Slace on	mpilation .	
	. 31	30	29	26	. Web	Law	High	Lee	AUSTRALIA AU Grainneles CL/1
eleckastriais	2031.65	2008.23	2041.40	2017.43	2158.61 G/D		2772.42	2702	Ad Michae (1/1/8)
Home Bonds	107.99	88.03	\$8.00	27.57	91.25	20(1) 4(1)			AUSTRIA Credit Akties (30/)
Transport	846,62	848.42	849.91	839.00	908.45		(14687)	07/02	SELCTIM
Centies	178,70	170.64	176.89	177.60	194.02	167.26	0.4(8)87) 227.83 022(1)87)	10.50	Brymer's SE O/1/0
4Day's 10gh 2052.45	2052 63	Long 20	22.94 (2	028.63)		1	1 3333		DENMARK
STANDARD AND PO	25132	262.51	262.33	259.48	27545	242.63	35.77 (25(8)80)	0,632	FRILAID Haltze General (19
Industrials	300,05	301.32	301.20	298,01	噩	277.86 22071	3/8.17 (25/8/87)	(216/32)	FRANCE
Flexecials	24.68	25.00	25.05	24,82	35	語	32.43 (25,66,67)	0/10/749	CAC General CS1/12 led. Tendance(31/1
ITYSE Comparity	148.29	148,64	148.55	1024	188	131,72	187.99	2.46	CERMANY
Amer Mits. Value	294,60	294,71	295.05	293.87	200	题	(25/8/67) 365.01	25,33	FAZ Aktien C1/12 Converdent CI/I
MASDAQ OTC Copp	376.53	376.49	376.22	37443	34.77	22.2	45.78	10/12/120	DAX (30/12/67)
					0.077	(150)	CSF18163)	CATUOLUS	HONG KONG Harm Song Bank C
			79	Aug :		Aug 5	year ago t		FIALY
Dow Industrial Dis	Yield		24	Aug .	·	WO 10	year ago (		Branca Com, Ital. C
S&P Industrial di S&PP/E raul6		. 3		3,2 13.5		13.65	24 23.2	0	JAPAN Rikkel DAJS/490 Yokyo SE Mesi (4/1)
TRADING ACTIVITY	<del></del>		† Volum	<b>e</b> ] .			EW YORK	Am 29	METHERLANDS
_		Atlons	Am 29		Company Terrain	d - 1	922 1.92	1.906	ANP-CBS CANEST
		08.720	98.63		Mees			474	BORWAY OSIOSE WILLESS
Lines	A00	9144	7.78 23.49	0	Mary House.	=	12 17		SWEAPORE
TC 11	-20				-		32		Straits Times led. (

CANADA (Aug. Aug. Aug. Aug. 1990)
TORONTO 31 30 29 26 High 2897 A 2495 2427.8 326.5 6/77 2298.7 6/27 3274.1 3280.6 3265.5 3465.4 6/77 277.9 6/22 MONTREAL Portfolio ... 1635.977 1631.99 1836.289 1822.53 1723.71 5(7). 1395.64 127(1)

Atl Micing (1/1/90)	7461	7673	7773	770.8	847.5 (9/8)	532.4 (20/2)
AUSTRIA Credit Akales (30/12/84)	198.1	198.8	197.8	197.6	199,70 (17/8)	163.98 (13/2)
BELGIUM Brymels SE O/1/80	407,20	4879.2	4967.7	4957.4	50016/3	3408.35(4/1)
SENTIARK CATTAIN	Z18,75	Z18.87	228.53	219.15	227,3% 0/50	180.68 (4/1)
FiniLAMD Unites General (1973)	725.4	725.8	718.2	721.8	772.1 6/8	530.6 (35/1)
FRANCE CAC General (31/12/62) lpd. Tradamon(31/12/67)	348.3 130.9	. 347.7 131.8	347.6 131.0	347.1 130.5	355 G/D 137.6 G/D	251.3 (29/1) 89.7 (29/1)
CEIGHARY FAZ Akties (31/12/98) Conservatoric (1/12/98) DAX (30/12/87)	478.50 1454.5 1152.59	46LTI 14733 116535	461.95 1465.8 1165.53	476.67 1450.6 1152.38	475.78 00/77 1510.4 00/89 1119.96 (5/7)	396.40 (29/1) 1207.9 (29/1) 931.18 (28/1)
HONG KONG Hang Song Bank (31/7/64)	203.32	2443,80	2439.55	120	2772 53 (12/7)	2223.54 28/2)
TALY Stance Cours, Itaal, CL 9722	520.24	SPAS	523.83	527.62	56.07 03/39	423 EL (9/2)
IAPAN Historia (15/5/49) Tokyo SE New (4/1/68)	26934.26 2093,20	27365.95 2128.02	2753) 45 2141.49	27379.10 2137.08	28473.38 (5/8) 2253.10 (2/8)	21217.04 (4/1) 1690.44 (4/1)
NETHERLANDS ANP-CBS Canesti (1970) ANP-CBS Industrial (1970)	262.5 222.6	254.2 224.1	263.6 224.7	262.8 224.1	284.3 (9/5) 209.3 (9/5)	205.7 (4/1) 157.9 (1/1)
NORWAY Osio SY (4/1/83)	375.54	378.14	371.30	372.37	423,64 (22/T)	327,78 (28 <sub>1</sub> 1)
SINGAPORE Spales Times led. (20/12/44)	1031.01	1036,59	1020.22	3020.30	1177.57 (6)(8)	833.60(4/2)
SOUTH AFRICA ISE Cold (2014/78) ISE Industrial (2014/78)	1250.04 1427.04	1241.0 1621.0	1246.0 1530.0	1243.0	1451.0 G/N 1758.0 GO/N	1154.0 PUS 1387.0 (1272)
SPAIN Madry SE (30/12/03)	280.50	252.75	294.3%	286.78	301.63 03/60	225.50 (47)
SWEDEN Southern & P. (31/12/5/4	29522	2965.6	2954.0	2995.3	3112-90 (5/8)	2148.5 W/D
SWITZERLAND Swiss Bank Ind. (51/12/50) ,	-5413	549.9	953.1	551.8	559.0 (9/6)	466.6 03/10
WEST DANS INC. COLORS	- 64	428.7	433.6	433.5	4652 (15/6)	401.0 (21/1)

29

when you subscribe to the FT When you take out your first subscription to the FT, we'll send you 12 issues free. For further information and details of subscription rates, complete the coupon and return it to:

Will Brissel, Financial Times (Burope) Ltd.

Guioffettstrasse 54, D-6000 Frankfurt am Main 1,

West Germany

Tel: (069) 7598-101

Title: Company:

Travelling by air on business?

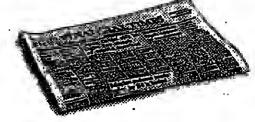
FINANCIAL TIMES

### Travelling on **Business in Italy?**

Enjoy reading your complimentary copy of the Financial Times when you're staying . . .

### . . . in Milano at the

Diana Majestic, Duca di Milano, Hotel Excellsior Gallia, Hilton Hotel, Hotel Michelangelo, Hotel Palace, Hotel Principe di Savoia



**FINANCIAL TIMES** 

4pm prices September 1

| Page | Low | Shock | Dav. | Yat. 8 | Seminary | Low | All | 235 | Selegis | 120 | All | 145 | All | 21 THE CONTROL OF THE PROJECT OF THE 

| Page | State Company of the state of the sta 107-1-1 107-1-1 127-1 127-1 127-1 184 Essech a.52
74 Estrick
18 Ethyl 1.37
18 Estrick
134 Essecial 1.37
135 Essecial 1.37
135 Essecial 1.37
135 FGIC 0.4
245 FAC G n.55
25 FPI Gp 2.20
245 Febru pt0.50
44 Factor pt0.50
45 Factor pt0.75
504 Febru pt0.50
205 Febru  $s_1$ 25 Februs 27.

6 Februs 4.44

21 Februs 28.44

21 Februs 27.57

11 Februs 27.57

12 Februs 27.57

13 Februs 27.57

14 Februs 27.57

15 Februs 27.57

15 Februs 27.57

15 Februs 27.57

16 Februs 27.57

17 Februs

CONTROL TO THE TOTAL AND THE T 8 11 2500 - H-H-H-25 - 3 36 10 7.8 16 12 18 863 289 1 3.8 25 1984 

7 Online - U.
241, Online - U.
251, Online - U.
252, Online - U.
253, Online - U.
254, October - U.
255, Online - U.
257, October - U. 300 30 36 3.40a 3.40a 1.12 1.2 1.36 1.36 95 Cotord .50
251 PHH 12
351 PHM 12
351 PHG 1.56
275 PPG 1.56
201 PS Grp .80
11 PSG
11 PSG
14 PBGSE 1.40
17 PBGSE 1.40
18 PBGSE 1.40
19 PBGSE 4125030716420144754 514554 4 4514 5545557 751455200078422701142117276641454 54544 5454557 75145547 146137 1776 13-1 Paintin 22
12-2 Paintin PT.J.
12-2 Paintin PT.J.
12-3 Paintin PT.J.
12-3 Paintin PT.J.
12-4 Paintin PT.J.
12-5 Paintin PT.J.
12-5 Paintin PT.J.
12-5 Paintin J.
13-5 Pain 2 4 1732 4 83046 23020 230 216 114 

الأصل المرادة

Secok Div Introls 1.12 Intition 1.12 Intito 1.12 Intition Stack Oliv.
ATAE ATT F62-1/4s
ATTAE ATT F62-1/4s
ATTAE ATT F62-1/4s
ATTAE ATT F62-1/4s
ATTAE ATT Di lad
DNRG
DRINGOU
ENGLICI
ENGLIC
ENGLIC 14. 4 386 93.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19.18 19.32 19 35 7 10 8 4 38 1283 18 15 148 162 11 268

ER-THE-COUNTER

Cyleges

DEA S

DEF S

DEF S

DEF S

DEF S

DEA S

DEF S

DEA S

DEF S

DEA S

DEF S

10 % -12 % -44 % -15 % -11 % -31 % -8 % -

Ministra Ministra Ministra Ministra Ministra Ministra Ministra Ministra Ministra Monitor Monit

Have your F.T. hand delivered in Norway market and your business.

| 19th Rower | 60 | 22 | 20 | 306 | 344 | 345 | 347 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 |

If you work in the business centres of BERGEN, OSLO or STAVANGER — gain the edge over your

Have your Financial Times personally delivered to your office at no extra charge and you will be fully briefed and alert to all the issues that influence or affect your

12 issues free

When you take out your first subscription to the F.T., we'll send you 12 issues free. Then see for yourself why William Ungeheuer, Time magazine's senior financial correspondent, describes us as "the paper with the best coverage of international finance."

**Ø** Oslo (02) 684020 And ask Heidi Asstorp at Narvesen Info Centre-NIC for details.

**FINANCIAL TIMES** 

Have your F.T. hand delivered

... at the start of every working day at no extra charge in Belgium, if you live or work in the following postal districts: Brussels — 1000, 1010, 1020, 1030, 1640, 1041, 1048, 1049, 1050, 1060, 1070, 1080, 1090, 1100, 1110, 1120, 1130, 1140, 1150, 1160, 1170, 1180, 1190, 1200, 1210, 1310, 1410, 1420, 1600, 1620, 1640, 1641, 1800, 1900, 1920, 1930, 1931, 1940, 1950, 1960, 1970, 1980, 1981, 1990.

Antwerp — 2000, 2008, 2018, 2020, 2030, 2040, 2050, 2060, 2070, 2080, 2100, 2110, 2120, 2130, 2153, 2180, 2200, 2210, 2230, 2232, 2241, 2600, 2610, 2700, 2710, 0820, 0821 Gent-9000, 9110, 9820, 9830, 9831.

Liege - 4000, 4020, 4200, 4400. Leuven - 3000, 3030, 3044, 2072. Kertrijk -- 8500, 8510, 8530, 8640. Brugge--- 8000, 8200.

@ Brussels (02) 513 2816 And ask for more details.

**FINANCIAL TIMES** 

Travelling by air on business?

Enjoy reading your complimentary copy of the Financial Times when you are travelling on scheduled flights from . . .

Air France, Pan-Am, Scandinavian Airlines, Heli-Air Monaco, British Airways . . . Strasbourg with Air France, Air Inter

FINANCIAL TIMES

**AMERICA** 

### Dow hit by Tokyo decline and jobless rate worries

EQUITIES fell yesterday on Wall Street as the stock mar ket became troublad by the outlook for interest rates and receot weakness in Japanese stocks, writes James Buchan in

The Dow Jones Industrial Average, which opened at 2,031.65, dipped briefly below the 2,000 level in the course of a morning's trading which was heavy by the torpid standards of the last two weeks. However, trade slackened in the afternoon and the Dow recovered a little to end the day down 29.34 at 2,002.31. Volume was 145.68m, slightly higher

than on Wednesday.

Traders said that the market suffered a new bout of unea about the prospects for US and international interest rates. The main concern is that today's report on unemploy-ment in August might sbow that the economy is growing too fast for the taste of the Federal Reserve, and another round of tighter money may be in the offing.

Current expectations in the

employed people will have increased about 225,000, but the jobless rate will be unchanged at 5.4 per cent. Traders said that any employment figure much higher than 250,000 would

upset the market and some estimates are as high as 300,000. However, this is not considered likely. They also said that yesterday's early fall in the considered high second the considered high second the considered high second the considered high second the constant of in stocks was exaggerated by programme trading, where a small discount in September stock index futures prompted the heavy sale of stocks and the purchase of futures.

Other markets waiting as anxiously for the lobe data

anxiously for the jobs data were more steady, with bond prices unchanged or down only slightly and the dollar firm. The stock market was also unsettled by the sharp drop in the Tokyo stock market over-night. The Nikkei index dropped 481.69 points amid renewed speculation that Japanese interest rates might have to rise to prop up the yen exchange rate against the dol-

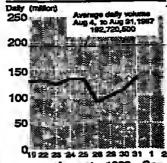
The dollar continued strong in light New York trading. though the market is apparently wary of central bank

intervention. By the end of trading, the dollar was trading at Y136.30, down from its morning highs, though it advanced strongly against sterling. Trading in the bond market was also quiet, with the Treasury long bond unchanged to yield 9.30 per cent.

Amid featured stocks, Gould, which is being taken over by Nippon Mining of Japan for \$23% a share, fell \$% to \$22%. Technology issues were again among the weakest. IBM was down \$1% at \$110%, while Unisys was down \$% at \$31%.

sys was down \$% at \$31%. Digital Communications Associates, which has been in headlong retreat since forecast-ing a sharp fall in revenues, dropped a further \$4% to \$21%. Honeywell was down \$1 at \$57% after announcing it would sell four businesses. NCR rose \$2 to \$57% on rumours that it might buy in more shares. Tonka, which said on

Wednesday it might make a loss this year, fell \$1% to \$9%. May Department Stores, which has begun a stock buy-back, rose \$% to \$35%. Other retailers, which announced generally higher August sales



August 1988 Sep

Sears Roebuck fell \$1/2 to \$35, F.W. Woolworth was down \$11/2 at \$47% and Wal-Mart dropped \$% to \$29%.

Among blue chip stocks, General Motors fell \$1 to \$71%, USX was down \$% at \$27%, Philip Morris was off \$1/4 at \$91 % and Boeing lost \$1/4 to

Canada

GOLDS and base metals were badly hit in Toronto, as share prices posted a broad loss in quiet trading.
The composite index dropped

22.6 to 3,263.2 as declines swamped advances by 446 to 242 on light turnover of 20.9m

Base metals were broadly lower. Alcan Aluminium dropped C\$% to C\$36%, Inco sank C\$1 to C\$35% and Falconbridge weakened C\$% to C\$21%.

# Fear of tighter credit sours mood

THE MOOD was gloomy in Europe yesterday, with thin trading dominated by worries that global interest rates would rise further and by concern about falls in Tokyo, New York and London, writes Our Markets Stoff kets Staff.

Everyone'a slipping into depression," said one observer. "Brokers and fund managers are just getting miserable."
PARIS 'saw Wednesday's small gains wiped out as con-cern over interest rates again haunted the market.
The OMF 50 index lost 4.57 to

342.69 but was off its low of 341.86. Some late buying interest was reported from the UK despite Wall Street's early weakness, but this was seen as an aberration in an otherwise nervous and cautious market.

Volume was said to be simi-

lar to Wednesday's FF770m. The CAC General index, based on opening prices, was up 0.6 at 348.3. Perrier lost FFr8 to FFr925

after rising recently on take-over speculation and perceived benefits for exporters from the stronger dollar. LVMH shed FFr53 to FFr2,825. It has also been rising and there was talk that a Swiss investor was interested in taking a small invest-ment stake of about 1 per cent. Pernod Ricard fell FF124 to FFr1.051 after revealing a 2.8 per cent holding in Irish Dis-

Privatisation stock CGE moved against the trend adding FFr5 to FFr318 amid speculation its major share-holders might be adjusting

their positions.
FRANKFURT finished slightly easier, clouded by the sharp overnight fall in Tokyo, weakness in London and New York and the threat of higher interest rates. The real time DAX index lost 12.27 to 1,152.99 in volume of DM1.9bn, still very low but the best level so far this week. The FAZ index dropped 5.81 to 478.50.

News was thin on the ground and price movements were limited, although banks and top blue chips showed the largest falls. Metals group Preussag eased DM3 to DM168 after saying that profits had improved in the second quarter

but giving no figures.

Bonds welcomed a steady
D-Merk and the Bundesbank's allocation of the variable rate tranche of its securities repur-chase pact at between 4.50 per cent and 5.15 per cent. The yield on the latest 10-year federal bond was unchanged at MILAN edged up in thin trading, with interest focused on the uninspiring debut of Ferruzzi Finanziaria, the new holding company for the Fer-

ruzzi group. The shares started around L2,950, above the theoretical offer price of L2,920 based on the old price of the now subsumed Iniziativa Meta. But they then fell back despite some buying support to close at 12,893, dropping to 12,865 after hours, which one analyst said would guarantee tha list-

ing a bad press today.

The market was described as "like a desert", with domestic investors still on holiday and local institutions and foreign-

London

FRARS of higher interest rates and unease over the overnight fall in Tokyo and Wall Street's lower opening combined to push London down. The FT-SE 100 index closed 23.1 lower at

Irish Distillers moved up against the trend following confirmation, that Pernod Ricard of France had taken a 2.8 per cent stake.

ers alike awaiting news from the Government on planned public spending cuts, due by the end of this month. Everyone is waiting for someone else to take the first step," said the analyst. Most trading was in hine chips Fiat, np L45 at L9,245, and Ganerali, L300

higher at L91,550.
ZURICH lost ground as investors reacted to gloomy news from Wall Street and Tokyo by selling cheaply. "Swiss brokers remain pessi-mistic about the outlook for world equity markets," said one analyst. The Credit Suisse index eventually closed 4.8 down at 464.3 in light trading. Switzerland's largest advertising agency, Publicitas, featured after rejecting a hid from private property company JS Holding. Some speculators anticipated the offer for Publi-

anticipated the offer for Publicities, and had been picking up both the registered shares and participation certificates (nonvoting stock) in the company in recent weeks. News that JS Holding is only bidding for the registered shares left some of them exposed, and after yesterday's firm rejection of the day's firm rejection of the offer, Publicitas' participation shares fell SF1250 to SF12,550.

AMSTERDAM was domi-AMSTERDAM was dominated by cautious trading prior to the release of US unemployment figures today. The CBS all share index eased 1.1 points to 93.5 as pessimistic dealers marked prices down.

One of the few stocks in demand was Talegreef the

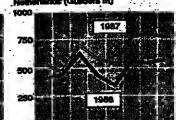
demand was Telegraaf, the publisher, which announced late on Wednesday half-yearly profits of FI 31.65m, 49 per cent up on the same period last year. Telegraaf gained FI 16 to

STOCKHOLM hroke its two-day run as uncertainty preceding next month's gen-eral election and concern about the stability of overseas equity markets returned to dominate thin trading. International and domestic institutional investors continue to stay on the

The Affärsvärlden General Stock Index closed 2.9 points down at 854.8 as turnover struggled to reach SKr184m. Volvo, after Wednesday's

well-received interim results, was one of the few leading stocks to attract buying interest and the "B" shares closed SKr2 higher on SKr321. Phar-maceuticals group Astra slipped SKr1 to SKr182 before announcing a 13 per cent rise in half-yearly profits to

BRUSSELS eased only slightly as interest in engineer ing group Tractebel stimulated



speculative buying in related stocks. By the close the cash index was off 1.4 st 4,877.8.

Rumours continued to circulate that a Belgian investor is building a stake in Tractebel, and it gained BFr50 to BFr8,190 as 35,825 shares changed hands. Two leading stocks with sizeable stakes in Tractebel also advanced. Electrafina, which holds 14 per cent, added BFr80 to BFr7,589, while Sofina, which indirectly holds 6.7 per cent, climbed BFr250 to BFr12,150.

Among holding companies, Sidro firmed BFr15 to BFr1,925, while Cobepa fell BFr50 to BFr5,100 and GBL slipped BFr15 to BFr3,210. Chemicals were mixed, with Solvay easing BFr50 to BFr12,300 and UCB adding

BFr20 to BFr9,030.

Blue chip oil group Petrofina ended unchanged in quiet trading at BFr12,675.
MADRID was unnerved by a

1/2 point rise in the one-year treasury bills rate to 10.5 per cent. This was taken as a bad signal by the market, said one analyst, and reinforced the downward trend amid fears of further interest rate rises in the near future. The general index lost 2.25 to 280.50 in thin

OSLO saw investors slowly coming back to the market and prices closed mixed in moderate trading. The all-share index slipped 0.78 to 274.66.

SOUTH AFRICA

A FIRM bullion price helped gold stocks in Johannesburg close muchanged to higher in

Vaal Reefs gained R1 to R254 and Kloof added 50 cents to R31. Diamond stock De Beers was steady at R36.85, while platinum Rustenburg rose 50 cents to R34.25 and mining financial Anglo American was up 25 cents at R52.75.

### **ASIA PACIFIC**

### Nikkei slumps following yen's fall

Tokyo

THE RAPID fall in the yen sent equities plunging in Tokyo yes-terday and the Nikkei average suffered one of its heaviest falls of the year in continued low volume, writes Michiyo Nakamoto of Jiji Press. The Nikkei dropped 597.80

points in morning trading -its second biggest fall this year - to dip below the 27,000 level for the first time since April 22. However, share prices picked up slightly just before the morning close and the recov-ery continued in the afternoon, with the Nikkei ending down 431.69 at 26.934.26 – its third worst closing level this year. On August 10, it tumbled 615 points and on July 19 it lost

Yesterday's high was 27,329.40 while the low was 26,701.44. Declines far outnumbered advances by 813 to 113, with 110 issues unchanged. Volume remained very thin at 499m shares compared with

414m on Wednesday. In London, Japanese shares slipped a little further, with the ISE/Nikkei index off 3.75 at 1,754.81.

The greater-than-expected fall in the yen against the dol-lar triggered fresh fears of rising interest rates in Japan. "This kind of ambiguity is the worst kind of atmosphere for the market," said Mr Norio Watanabe, chief portfolio manager at Credit Suisse Invest-

ment Advisory.
The lack of volume showed that, just as in the aftermath of Black Mooday last October, many investors bad chosen to hang oo to their shares rather than join a selling rusb, be

Heavily traded big capital steels lost ground. Nippon Steel, the most active stock with 37.7m shares exchanged fell Y26 to Y630. Kawasaki Steel, the second most active with 28.2m shares, lost Y22 to

Property issues mostly fell, after recent rises on the strength of their resort-related businesses. Mitsubishi Estate lost Y130 to Y2,200 and Mitsui Some issues that bad

attracted buying recently on speculative interest stayed strong. Toppan Printing advanced Y20 to Y1,900 and Dainippon Printing moved np Y30 to Y2,580. Printing companies have been watched since it was reported early this week

that the Japanese Emperor was ill. The Emperor's death would necessitate the re-printing of documents and forms. Terumo, which bas surged higher after an article reported

that a medical team it is backing has developed a cure for liver cirrhosis, advanced a fur-ther Y110 to Y2,240. Citizen Watch, another company that has been attracting speculative interest, gained

Y23 to \$885.
Mitsnbishi Oil, the third most active share with 18.6m shares traded, rose Y50 to Y1,190. The company has seen considerable gains recently on rumours that Saudi Arabia has shown interest in the company. Although Mitsnbishi denies the rumours, there has been no let-up in buying of the shares, which also stems from expectations of a restructuring

of Japan's oil industry. Sony and Pioneer remained firm. Analysts said these high-technology issues were propped up to keep the market from crashing. Sony added Y80 to Y6,770 and Pioneer rose Y80

The bond market in Tokyo also weakened as worries about higher interest rates intensified. The yield on the benchmark 105th issue closed at 5.490 per cent in large-lot trading, up 0.130 of a point. The equities market in Osaka showed a similar lack of

confidence with the OSE average falling 420.50 to 25,987.95.
Volume was considerably lower at 31.21m shares compared with 40.09m shares on Wednesday. Asahi Glass, the most heavily traded issue at 2.5m shares, added Y50 to

Roundup

TOKYO'S steep fall knocked the wind out of most of the Asian Pacific markets, while Australia was dealt the additional blow of a % point rise in

ues: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115 037 (US S Index), 90.791 (Pound Sterling) and 94.94 Cloca 3. The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co., Ltd.1987

MARKET PROFILE



THE MARKET profiles series that has run throughout the summer finished yesterday with an article on the Tel Aviv

The following 29 markets were covered in the series: their publication dates are given in hrackets; Switzerland (June 28); Amsterdam (June 29); Paris (June 30); Madrid (July 1); Hel-sinki (July 5); Frankfurt (July 7); Milan (July 8).

Australia (July 12); New Zealand (July 13); Hong Kong (July 14); Singapore (July 15). holm (July 20); Oslo (July 21);

Copenhagen (July 22). Johannesburg (July 27); Mexico (July 28); Brazil (July Duhlin (August 8); Lisbon (August 4); Vienna (August 5); Athens (August 11); Istanbul

(August 12). Taiwan (August 16); Kuala Lumpur (August 17); South Korea (Aug 19); Thailand (Aug 23); Philippines (August 24); Tel Aviv (Sept 1).

the rediscount rate. One excep tion was Seoul, which achieved a late rally following encourag-

ing domestic news. AUSTRALIA dropped sharply in what brokers BZW Meares described as a "harrow-ing" day's trading. The selling was sparked off by the Reserve Bank's decision to raise the rediscount rate by a % percentage point to 13.2 per cent and news of the Nikkei's plunge in

Tokyo.
The All Ordinaries Index fell
29.1 to 1.541.4 on turnover of
118.09m shares worth A\$183.48m. The slump would have been steeper but for some late hargain buying by local

Leading industrials were

worst hit. Coles Myer lost 35 cents to A\$10.20 and News Corporation moved 30 cents lower to A\$10. Banks, insurances and mining stocks were also

Even some good company results were unable to half the slide. FAI Insurance, which reported a 50.8 per cent rise in annual profits to A\$171.1m, lost cents to A\$4.30, while Western Mining's 330 per cent rise in interim profits to A\$359m could not prevent its share price from ending the session 16 cents down at 5.58.

HONG KONG was also easier in sympathy with Tokyo, but an afternoon rally regained some of the lost ground and the Hang Seng index closed 10.48 down at 2.433.32. At one stage in the morning, the index had dropped 35 points, but news of an improvement in the

Nikkei sparked the recovery. The most actively traded stock was Hntchison Whampoa, down 5 cents at HK\$8.15. HK Hotels shed 2 cents to HK\$4.45 after revealing it was buying half of a luxury hotel project in London, while Cathay Pacific hucked the trend to improve 5 cents to HK\$8.05.

SINGAPORE initially followed Tokyo down before investors returned late in the session to pick up bargains. The Straits Times Industrial Index closed just 4.78 down at 1,031.81, well above its earlier low of 1,017.94. Turnovsr, at

28m shares, was 5m helow Wednesday's total. Again, institutional and erseas investors, worried by the performance of overseas markets, stayed away, pending

Saturday's general election.
WELLINGTON was another
market hit by the declines in
Tokyo and Australia. Shares fell sharply, erasing gains made in the previous two ses-

sions. The Barclays index shed 38.01 to 1,968.43. MANILA saw Wednesday's rise wiped out by profit-taking amid an absence of encouraging news. The composite ind

dropped 11.3 to 774.85. SEOUL, however, rallied late in the session, cheered by the Government's decision to delay the issue of Monetary StabilisaAll these Notes have been sold. This announcement appears as a matter of record only.



### **Caisse Centrale** de Coopération Economique

FRF 800,000,000 8% per cent. Guaranteed Notes due 1993

Issue Price: 101% per cent.

Unconditionally guaranteed by The Republic of France

Crédit Lyonnais

Commerzbank Aktiengesellschaft Crédit Commercial de France Credit Suisse First Boston Limited J.P. Morgan & Cie S.A. Nomura International Limited

Algemene Bank Nederland N.V. Bank of Tokyo Capital Markets Group Bankers Trust International Limited Banque Bruxelles Lambert S.A. Banque Indosuez Banque Internationale à Luxembourg S.A. Banque Paribas Capital Markets Limited Baring Brothers & Co., Limited **BNP Capital Markets Limited** Caisse des Dépôts et Consignations Crédit Agricole Dresdner Bank Aktiengesellschaft Generale Bank Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft **IBJ** International Limited Kleinwort Benson Limited LTCB International Limited Merrill Lynch International & Co. Salomon Brothers International Limited The Nikko Securities Co., (Europe) Ltd. Société Générale Westdeutsche Landesbank Girozentrale Union Bank of Switzerland (Securities) Limited

### FT-ACTUARIES WORLD INDICES

### Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuarles and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		THURSDA	AY SEPTEMB	ER 1 1988		WEDNE	SDAY AUGUS	T 31 1988	D	HAR IND	EX .
Figures in parentheses show number of stocks per grouping	US Opliar Index	Oay's Change %	Pound Sterling Index	Local Currency Index	Gross Olv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (86)	139.33 86.16 111.44	-2.7 -0.2 +0.4	123.43 76.33 98.72	116.25 84.10 109.51	4.01 2.49 4.61	143.23 86.36 110.99	126.10 76.03 97.71	118.55 84.34 109.48	152.31 98.18 139.89	91.16 83.72 99.14	168.10 98.32 134.29
Canada (128) Oenmark (39) Finland (26)	117.03 120.62	-0.5 +0.1 -0.2	103.68 106.86 103.36	104.82 118.16 109.21	3.27 2.52 1.57	117.67 120.54 116.94	103.59 106.13 102.95	105.61 118.25 109.36	128.91 132.72 139.53	107.06 111.42 106.78	136.81 123.16
France (128)	89.13 73.53	-0.6 -1.0 -0.6	78.97 65.15 87.94	89.06 71.64 99.47	3.65 2.58 4.57	89.66 74.29 99.81	78.93 65.40 87.87	89.73 72.51 100.01	99.62 80.79 111.86	72.77 67.78 84.90	116.57 104.29 147.36
Hong Kong (46) Ireland (18) Kaly (100)	127.17 70.31	+0.2 +0.2 -1.7	112.67 62.29 135.08	125.49 73.31 131.46	3.78 2.74 0.55	126.92 70.16 155.11	111.74 61.77 136.56	125,37 73,11 133,83	144.25 81.74 177.27	104.60 62.99 133.61	145.31 87.71 149.67
Japan (456)	133.54 152.09	-0.6 +0.3 -0.9	118.31 134.74 68.33	137.89 380.22 96.34	2.69 1.43 4.76	134.28 151.66 100.58	118.22 133.52 68.55	138.32 379.14 97.35	154.17 180.07 110.66	107.83 90.07 95.23	168.42 374.62 127.48
New Zealand (20) Norway (25)	70,70 110.10	-4.0 -0.1	62.63 97.54 105.05	62.41 103.60 111.69	6.00 2.89 2.36	73.67 110.26 118.83	64.86 97.07	63.66 103.64 111.93	84.05 132.23 135.89	64.42 98.55 97.99	128.72 177.38 163.71
Singapore (26) South Africa (60) Spain (43)	110.00 139.10	-0.2 -0.6 -0.7 -0.3	97.45 123.23 99.05	86.65 131.15 107.26	4.97 3.45 2.66	110.64 140.09 112.17	104.62 97.41 123.33 98.75	86.37 131.86 107.61	139.07 164.47 125.50	109.87 130.73 96.92	187.41 158.99 128.52
Sweden (35)	74.13 120.66	-0.3 -0.7 -2.0 -1.2	65.67 106.89 93.63	72.68 106.89 105.69	2.35 4.75 3.76	74.63 123.09 106.96	65.70 108.36 94.17	73.33 108.36 106.96	86.75 141.18 112.47	74.13 120.66 99.19	109.62 153.91 130.80
Europe (1010)	98.99 149.80	-1.2 -1.7 -1.6	87.70 132.71 114.72	92.84 129.53 114.90	3.92 0.77 1.74	100.20 152.42 131.55	88.22 134.19 115.81	93.77 131.84 116.67	110.82 172.26 147.53	97.01 130.81 120.36	127.98 150.20 141.38
North America (708) Europe Ex. UK (686) Pacific Ex. Japan (214)	106.29 85.44	-1.2 -0.6 -2.0	94.16 75.69 104.23	105.66 84.21 105.40	3.73 3.22 4.17	107.53 85.92 120.06	94.66 75.64 105.70	106.90 84.79 106.91	113.29 92.99 128.27	99.78 80.27 87.51	131.12 111.89 156.77
World Ex. US (1881) World Ex. UK (2137) World Ex. So. Al. (2401) World Ex. Japan (2005)	128.89 119.79	-1.5 -1.4 -1.4 -1.2	114.19 106.12 106.23 92.35	114.40 111.82 111.51 101.16	1.82 2.24 2.45 3.83	130.88 121.43 121.63 105.51	115.22 106.91 107.08 92.89	116.11 113.39 113.09 102.28	146.49 131.77 132.39 112.43	120.26 111.77 113.26 100.00	141.87 135.94 137.21 131.74
The World Index (2461)		-1.4	106.18	111.35	2.46	121.56	107.02	112.91	132.38	113.37	137.53



Kent is facing upto the construction and opening of the Channel Tunnel with mixed feelings. The

county wants to reap the economic benefits but also ensure that this new artery and other growth pressures do not ruin "the Garden of England". Hazel Duffy reports

### A tunnel in the Garden

benefits we can, but we are determined to keep Kent as it has been in the past, while carried by rail as an example bearing in mind that there of what good relations can must be some changes."

So Mr Tony Hart, leader of Kent County Council, presents the dilemma that Kent unwittingly finds itself in. The Channel Tunnel, due to be opened in 1993, cannot be ignored in terms of the demands that it will make on the county. Nor should it be.

The declining economic structure of East Kent cries out for jobs. But the natural direction of Channel traffic and industry will not be towards that area. On the other hand, if people in that part of Kent dig their heels in and say no to development, it will fly through the county to more receptive parts of the Sonth. st, and to northern France,

The Conservative led county. council has reluctantly accepted that it cannot ignore the forthcoming intrusion which will surface at Cheriton, near Folkestone.

AFRICA

11 FY 5

14 Av. 1 April

er in incl.

. d: 1, g

The Edition

: - - - \$15¢ er of the g 11 modE

tre training

"It is no good opposing all these people who have tha power to interfere with our county. We must construct good relationships with them,"

"WE HAVE to make the best of a bad job. Wa have to get what agreement with the EuroTunagreement with the EuroTun-nel contractors, whereby 80 per cent of the materials are being

> Unlike in France, the Tunnel traffic in Kent will be divided between two terminals. Folkestone is the planned location for Eurotunnel's shuttle trains, and Ashford the proposed site of the passenger rail terminal (along with special facilities at Waterloo, and possibly Kings Cross for passengers from the

Rail track between London and the coast will be upgraded, but decisions on a high-speed rail link have still to be made by British Rail. There are various links on paper, but each would involve some interference with the environment. As some compensation, there will be considerable pressure from Kent's long-suffering commuters for improvements to their

Road communications will be improved, the long-awaited construction of the M20 gap between Maidstone and Ashford going ahead. Similarly, the widening of the motorway around Maidstone is in the pro-



the county, work has started on the Dartford bridge which will take some of the pressure off the Dartford tunnel which has increased since the open-ing of the M25.

But the county council argues that Kent needs much more, including better road links between the north of the county and Canterbury and Ashford. These are all the more necessary if the remoter parts of the county are to have a chance of benefiting from the cross Channel link. The supe-rior road system in the Nord-Pas de Calais is cited as evi-

The future of Kent cannot be ojected without reference to projected without reference to the French region. They could not be more dissimilar. The Nord-Pas de Calais has more in common with the industrial north of England, Substantial acreage for development is available since the closure of much of its steel and heavy engineering industry. Govern-ment and regional grants are available to entice inward investment.

By comparison, only the area of Kent around Deal, where all gramme.-In the north west of but one of the Kent coalfield

collieries have closed, can offer financial assistance to indus-try; though Kent has the advantage over the Nord-Pas de Calais that labour costs overall are lower.

Co-operation between the local authorities on each side of the English Channel is remarkably good, even though one is Conservative-led and anxious to maintain the green beauty of its shire and the other solidly Socialist and suffering the after-effects of industrial restructuring.
A joint submission has been

made to the European Commis-sion for help towards preparing both areas immediately fringing the Channel for the opening of the Tunnel. Training people, both for construction of the Tunnel and afterwards, has been given a high priority in the application. Brussels has indicated its interest. The two areas have signed a trans-fronto pursue mutually-agreed poli-

Dr Roger Vickerman, head of transport studies at Kent University — which is carrying out a joint study with Lille University on the impact of the Channel Tunnel — points out that Kent is also poised to beneat the channel transport of the channel tra efit from the influence of quite different developments, particularly the spillover of commerce and industry along the Eastern Thames Corridor and other parts of the county from the much more developed parts to the west and north east of London.

Considerable emphasis has been put on the Channel Tun-nel, but other factors could well be seen in retrospect to have had a much greater influence on the economic structure of the county.

The completion of the M25

has already had a major

impact on the western half of 1m square feet of space is now Kent, making it more accessi-ble to other regions of Britain under development. Industry, however, will continue to be important in this area. A planning application is as well as to the area immedi-

particular, and to the east in the Medway towns. The advantages of land in Kent cheaper than along the M4, plus the tax and rates incentives offered by the Enterprise Zone which part of north west Kent gained in 1984, have focused considerable develop-ment activity on this area. The sort of heavy industry typical of the Thames estuary — chemicals, paper and board, oil refining, cement, electricity generation - are giving way to newer industries. Land in some of the more attractive parts of the enterprise zone fetches £350,000 an acre. In the Gilling-

ately around London. This is

shaping up in the form of developments in Dartford in

the university.

The need to allocate land for ham Business Park, for instance, most of the planned additional housing in the South East, however, will be a

New face of Kent: a twin tur-

ret oast house naar Tenterden now convarted into a

Picture by Ashley Ashwood

awaited for a one of the next

generation of power stations to be built at Kingsnorth, for

instance, while the outline

plans for a new port on the Isle of Grain illustrates the scope

that still exists in traditional

industry for Kent. To the south east, Ashford

was defined as a growth area by the county council many

years ago. In the main, that growth bas not happened,

although it has heen ear-

marked for warehousing and

distribution ontlets. Ashford wants good quality industry as

well and has put forward a sci-

ence park in co-operation with

family house.

CONTENTS

industry: The Channol Tunna promises to add strength to the diversity of the county's

industriai base Enterprise Zone: designation of several areas of North-West Kont hos provided importont tocus

Commercial properly: overhang a generally booming Residential Property: the channel tunnel has added to

the house prices surge Sea tinks; Port of Dover prepares to defend its tradional prosperity
Air links: Kent Internetional airport gets lift-off at Manston Rall links: British Rall is

accused of running late Farming: growers grind their teeth as well as their corn Coat: Kent coatfield finds new

use for old spoils Tourist industry: major effort is underway to upgrade the county's attractions 6

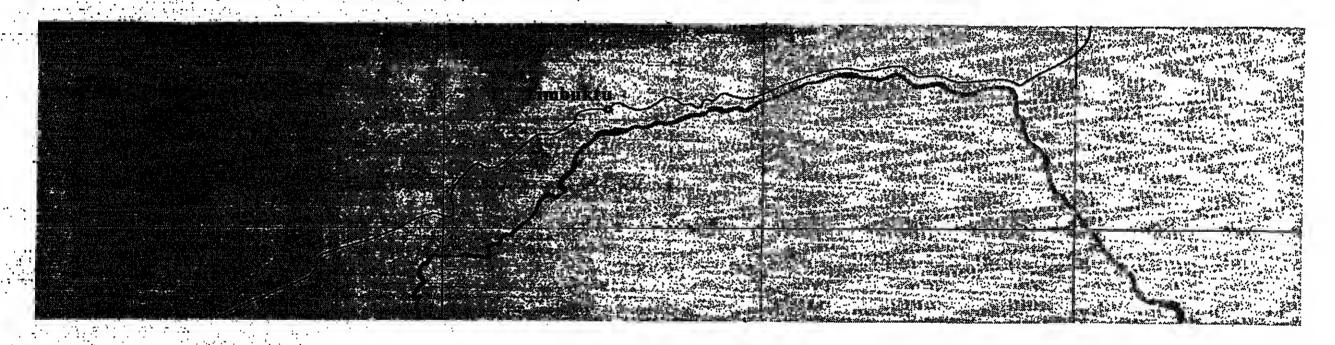
major consideration for all local authorities in the next few years. Proposals have been submitted for new villages in certain areas, including around Ashford. Tussles over the amount of housing to be allocated by Ashford emerged from Kent's proposed amondments to its structure plan. They also demonstrated some of the ten-sions surfacing in Ashford and other parts of the county botwoen the pressures for development and the desire to

conserve.
"We have to find the best land to be developed rather than developing the best land. There is a quite lot of land that can be developed without raping the beauty of the county. The real danger would be if we did not provide the right sites. People would leave and work in France," said Mr Hork. "Kent is not for the fainthearted now," he added with feeling.

Development in Kent will not concern only incomers. If the county is to take advantage of its proximity to the Conti-nent, its existing businesses need to gear up to the opportu-nities of the single European market as well as the Tunnel. Over 8,000 companies have

been asked to become members of the Kent Business Federa-tion, a new venture involving chambers of commerce which will act as catalyst and co-or-dinator in developing the county's business network. A new export centre has been set up to advise companies considering new markets. The Federation, set up in the early sum-

Continued on page 6



# IF YOUR BUSINESS ISN'T IN KENT BY 1993, IT MIGHT AS WELL BE HERE.

Kent. Superb communications with Europe ond the rest of the UK. Air, rood, rail ond seo links second to none. On London's doorstep and the UK's closest point to the Continent.

Kent, Ideally placed to toke full odvontage of the single European market in 1992. Locotion of the channel tunnel terminol in

1993, that means fost occess to a massive consumer morket of over 353 million people.

Kent. Send for our brochure today, and find out why we're ottracting business from oll over Europe and the rest of the world.

Kent. With oll we have to offer, other locations look positively remote.

1	Noma
P	Position
<u>c</u>	Company
A	Address
_	Tel.
	KENT
	NOW EVERYTHING POINTS IN OUR DIRECTION Kent Economic Development Boord, Brenchley House, Week Street, Maidstone, Kent ME14 1RF England. Telephono: (0622) 679976

ENTERPRISE ZONE

### A focus for development

WITH 80 PER CENT of the UK's exports to Europe passing through Kent's autoroutes and providing easy access to the M25 motorway, the region shows every sign of an economy on the rebound.

The North-West Kent Enter-

prise Zone has played a useful role as the focus for development in the Chatham and North Kent area. The area was North Kent area. The area was amongst the first and hardest to be hit by the early 1980's recession. In 1981 Kent County Council decided to set up the Kent Economic Development Board, spurred by the closure of 10 major local companies which resulted in an unaccept-ably high level of unemploy-

The North Kent campaign was started in 1981 by three councils — Rochester-upon-Medway, City Council, Gravesham Borough Council, and Gillingham Borough Council.

The North-West Kent Enterprise Zone was designated on October 31, 1984, comprising of five sites totalling 310 acres (125 hectares). They encom-

 Springhead Enterprise Park,
 a 27-acre greenfield site close to Gravesend at Northfleet, half a mile from the main A2/ M2 trunk road which runs

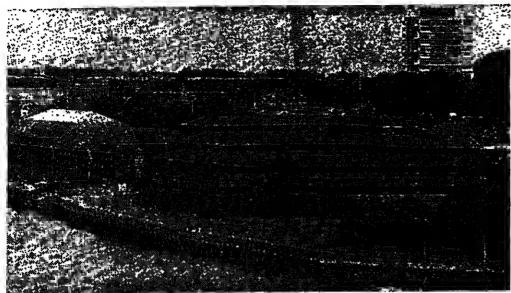
from London to Dover.

• Imperial Business Estate, a
44-acre site to the west of central Gravesend, bordering the river Thames and having deep-water wharf facilities. Temple Industrial Estate, an established industrial area to the west of the River Medway

and to the south of Strood town centre, covering some 58 Medway City Estate, situated on the northside of the River Medway, to the east of

Strood - 77 acres of this 150-acre estate has enterprise zone Gillingham Business Park, some 35 miles from central London but within two miles of the M2 motorway. While three phases of development huilt between 1979 and 1983 have been excluded from the enterprise zone, 105 acres benefit from the status.

A sixth area was granted enterprise zone status in Octo-ber 1986 in Chatham, in the wake of the rundown and closure of the town's naval dockyard with the loss of some 7,500 jobs. Chatham Maritime overall covers 300 acres of the



former naval dockvard but only 60 acres has EZ status. The benefits for companies already located or moving into enterprize zones include exemption from local authority

rates for upto 10 years from the date of zone designation, 100 per cent capital allowances on the construction, extension or improvement of any industrial or commercial building within the enterprise zone, simplified planning controls, priority for certain customs facilities, axemption from industrial training hoard levies and requirements, and reduction in povernment requests for statis-

Enterprise zone status doubled the number of business inquiries coming into the area from an average of 15 a week," according to Mr David Holmwood of the Medway Development Office.

"Some companies liked the area so much that they decided to move in immediately, even before the enterprise zone sites were ready. About 120 compa-nies came into the area, of which 30 then went into the

Enterprise zone status actually helped the unzoned areas more in the first year than it did the enterprise sites them-selves. Up until then we had had considerable difficulties in persuading investors and developers to come to North Kent. It was regarded as an

area of closures and recession Suddenly we had 160,000 sq ft of new premises, which began to fill up rapidly - that in itself started to attract more developers. Companies like London and Edinburgh Trust started to move in," Mr Holmwood notes.

Over 600 companies have now moved into the North Kent area including Blackhorse Insurance, Rediffusion, Plessey, Tiffany Frozen Prod-ucts, Burnhill UK, distributor for Italian white goods manufacturer, Zanussi, and the Overseas Development Agency's Natural Resources Insti-

Significant overseas compa nies have also moved into the area like Fisher Control, part of the Monsanto Group, a Nor-wegian company, Ling Indus-tries, Rodenstock, the German opticals giant, Hewy, another German company, Fugi Seal from Japan, Sonse, a Portugese company and Valllant, another German subsidiary company which moved from the Houn-

The loss of 7,500 jobs at the naval dockyard in 1983 swelled the unemployment figures which already stood at 19,800. Today this has come down to 10,000 or 7 per cent unem-

About 15,000 new jobs have been created as a result of enterprise zone status claimed Mr Holmwood - 4,000 from new start up companies, 5,000 from economic regeneration within existing companies already located in Kent, and 6,000 from established compa-

nies moving into the area for the first time. The inflow into this area will continue as more compa-nies based in and around London, where an overheating economy has caused property prices and rentals to rocket, hegin to look for cheaper commodation.

"Today, an acre in the London Docklands will cost around £5m and £1.5m to £2m along the M1 and M4 corridors north and west of London. In contrast land in North Kent costs £350-£700,000 an acre.

Similarly rented property costs around £40 per sq ft in London and £20 in the periph-eries while in North Kent the going rate is more like £12 to £15 per sq ft.
"Kent has 25,000 commuters

ing to work in London. In

the long-term, our intention is to employ them, thereby removing the congestion on the last mine may soon be the routes to London and encouraging them to spend their money here on the local The middle and south west economy," Mr Holmwood adds. Boris Sedacca

### INDUSTRY

# Adding strength to diversity

THE CHANNEL Tunnel is just one of several developments which will have a major impact on the economy of the most diverse of the counties in

south east England.

The geographical proximity of Kent to the Continent makes it the natural jumping off ground for Europe, hence the added importance to the country of the completen of the county of the completion of the internal European market in 1992, as well as the opening of the Tunnel planned for the fol-

lowing year.

The western part of Kent, however, is just as naturally an extension of the expanding London economy. Add to this the impact of the completion of the M25, which overnight made other parts of the country, and it can be seen that within a relatively short space of time, the mix of favourable factors could transform the Kent economy from being one of the slowest growing in the South East to one of the fastest

According to one recent study of the impact of the Channel Tunnel on the county economy, Kent could experi-ence an increase of the order of 30,000 johs over the next decade. This contrasts with a decline in employment in Kent

of 1.5 per cent between 1981-84.
But, so far, the strength of the national economy has probably been more influential in spurring recovery in Kent than any improvements to the infrastructure, planned or com-pleted. The challenge of the future is to make sure that this recovery is underpinned by an environment which is adaptable and welcomes change.

Kent has a diverse economy, which makes it untypical of the South Eastern region. Manufacturing is concentrated along the northern strip of the county along the Thames and out to Sheerness. The east of the county is mixed, with transport and distribution services based on the Channel ports, tourism, and Kent's last remaining working coal mine at Betteshangar, near Deal. In their heyday in the late 1950s. four Kent collieries employed over 7,000. The figure is down to 700, and it is rumoured that

of the county are more typical of the South East, with administrative, professional, banking and insurance services.

Industry in North Kent and

the Medway towns has gone through some of the structural changes more associated with the Midlands and North of



20,000 in 1974 to 11,000 a decade later. The cement industry has contracted sharply, and numbers employed in the engineer-ing industry likewise have dropped significantly. Added to these losses of traditional jobs was the closure of the 400 year old naval dockyard in Chatham in 1984. Over 7,000 jobs disappeared in the space of three years between the announcement and final clo-

But manufacturing industry remains a major employer in the area. The names of just a few - GEC, Lucas CAV, Pfizer, Pethow - indicate the range of activity. Engineering has merged from the recession leaner and more competitive, and essentially a survivor.

New entrants to the Kent scene include the German com-pany Kusuf, which is building a 530m plasterboard manufac-turing plant on a 35 acre green-field site near Sittingbourne, and Japanese owned Fuji Seal, which has located its European headquarters in the Gilling-

ham Business Park.
Full Seal is the first Japa-nese company in the county.
The Kent Economic Development Board, set up by Kent County Council at the height of the recession to attract newcomers to the county and to stimulate the development of local companies, is confident that Kent will prove increasingly attractive to overseas investors, particularly in the light of the Channel Tunnel.

decision taking in the last six months by companies. We are talking to a number of Continental companies, as well as from other parts of the UK. They view a location in Kent in a defensive vein, given the increased interest that Conti-

Kent must have the sites available if it is to succeed in capturing such investment. A big step in this direction was the designation by the Government in 1984 of 310 acres of north west Kent as an Enter-prise Zone, following pressure from the local councils for help to enable them to diversify their economic base. This was topped up in 1986 with an additional 60 acres to include part

of the former naval dockyard, for which English Estates was

given management responsibil-

to show in the UK market as 1992 approaches." nental companies are expected

ity for its development.

Much of the enterprise zone has gone extremely well, the has gone extremely went, the tax and rates advantages encouraging developers and occurders into the area, while improvements in access to the sites have been made a priority. Unemployment in the Medium of the control way area has fallen dramatically as industry has picked up and newcomers have arrived in the enterprise zone business and industrial parks. There could be shortages of labour emerging even here and else-25,000 of the Medway towns don for their livelihood. Many

work locally if the jobs we there and were sufficiently

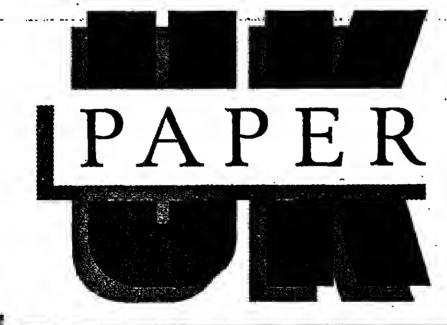
well-paid. Further west, Dartford ha developed as a major industrial area with the completion of the M25. Work has started on the Dartford bridge across the Thames, which will add to the locational attractions of the area and further stimulate the devalopment of the eastern Thames corridor in Kent and

In East Kent, there are plans to build a new 100 acre busi-ness park in the Thanet area which it is hoped will attract investment in industrial and leisure developments - this is the area where unemployment continues to be much higher than most parts of South East-ern England.

Ashford has earmarked sites, including that for the Science Park which will be in association with Kent University. West Malling, just outsida Maidstone, is a 515-acre site which the county council pro-poses to develop with Rouse & Associates, the American group it is hoped that outline planning permission will be gained later this year, High tech industrial/commercial units, a hotel, housing are all planned in what would be a major development in the

Much of Kent has exciting economic prospects. But there are real employment problem areas in north east Kent, countered by developing skill shortages in other parts of the

inter me in





### KENT, THE HOME OF UK PAPER PLC

SHITAIN'S LANG HGH QUALITY PRINTING

"New Thames" and "Sittingbourne", two of UK Paper's three production units are located in the county.

New Thames Paper Company is Britain's largest and most sophisticated producer of quality uncoated woodfree business and printing papers.

Sittingbourne Paper Company Ltd are market leaders in the production of high quality coated papers which are extensively used for colourfully printed books, brochures and a wide range of prestige advertising

We've been operating in Kent for over 100 years, expanding and growing to become one of Europe's most important paper companies. And our forthcoming investment plans will maintain our position at the forefront of European papermaking technology.

We are ideally located in North Kent, dose to all the major distribution routes including sea, air and road, we operate from a massive site with modern infrastructure complete with all services. With several hundred acres to spare we are in an excellent position to take advantage of the opportunities presented by the channel tunnel and the single European market.





### T.G. BAYNES & SONS SOLICITORS EARLY PARTNERSHIP PROSPECTS FOR YOUNG LAWYERS

A vacancy has arisen in this large firm on the borders of: London and Kent for an ambitious conveyancer seeking. partnership in 2-3 years.

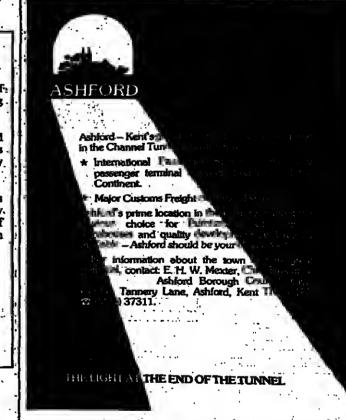
The candidate will be expected to work extremely hard and to carn substantial fees; but we have a generous partnership structure and the eventual prospects are very

ALSO: a young solicitor, barrister or company secretary is required to help develop a small business and company. secretarial department. An interest in the problems of running a business and business finance is essential; an interest in computers would be valuable.

For either post write with full CV to Mr.D.C. Phillips at Downe House, 303 High Street, Orpington, Kent or telephone him on 0689 72071.

The economy of North West Kent is set for rapid

We intend to be a part of that expansion - do you?



### Take a closer look at Coopers & Lybrand



Kent and the South East of England is one of the most thriving areas of business expansion and development in the United Kingdom. The advent of the 1992 European Market and the subsequent opening of the Channel Tunnel have placed the area in the forefront of dramatic economic change.

Coopers & Lybrand is one of the UK's leading firms of accountants and management consultants and, through its office in Maidstone, offers clients a team of highly skilled professionals with in-depth knowledge of the region and expertise across the full range of specialised services including:

- Positive Audit
- Corporate and Personal Tax
- VAT and Customs So why not invest a little time and take a closer look at Coopers & Lybrand. Please contact
- Management Consultancy Services

Business Services

Coopers

Orchard House 10 Albion Place Kent ME14 5DZ Talephone: (0622) 672961

George Emmerson, partner in charge at the address below:

Coopers & Lybrand is authorised by the institute of Chartered Accountants in England and Wales to carry on irr

PROPERTY DEVELOPERS increasing as part of a wider look at Kent with some enthusiasm. If any county is likely to might have come to Kent a the benefit from the completion of Eurotunnel, then it should be Kent. What had been a rather sluggish area should become more lively. The demand for space is bound to increase.
Unfortunately for the developers and fortunately for some of the residents, as the latter would see that is not quite as then a their developers of their

TEMBER 2 1994

might have come to Kent a bit later than, say, areas to the west of London. But the county is now caught up in the process which has seen property interest moving eastwards.

As Paul Appelt of Walter & Randall, the North Kent chartered surveyors has noted. would see it, it is not quite as simple as that. Many of the planning arguments for which Berkshire has become famous are equally applicable to Kent. And they all revolve on the dispute of reconciling development with the environment.

And, in any case, it is difficult to speak of Kent in a single breath. It is not one but several markets.

several markets.
The Bromley area is the major South East office location but is influenced as machine by the M25 as anything else. The Western side of the county has been best of the county. is constrained by Green Belt considerations. The Medway towns of North Kent are work-ing out a new property voca-tion after the departure of naval dockyards and tradi-tional heavy industry. The Ashford area, singled out as a focal point for growth, is a focus for activity inspired by

Even without the prospect of Eurotunnel, however, rents and land values have been

of office accommodation have generally been tight. In Bromley, for example, Knight Frank and Rutley, chartered surveyors, noted that there is little new space likely to become available until 1990, but that, at the same time, the growth in rents has been limited, so that the top prices have been while North Kent prices rose on average by 13.9 per cent.

The variations reflect the

there are likely to be localised effects from Eurotunnel, "but

there has been, and still is, a

general boom taking place over

most of Kent that has very lit-tie to do with the tunnel."

motorway link between the county and the national net-work and has been encouraged by the likely improvement of

other paris of the infrastruc-ture. That involves not only Eurotunnel but also the Dart-

ford Bridge, construction of which has just started, and the

perennial hopes of an East London River Crossing. This property interest has come at a time when supplies of office accommodation have

behind the property boom. Mr Bill Wilkie of GA Property Ser-vices thinks the Channel Tunnel is one of the most important influences, while Mr Tim Byles, head of economic devel-opment at Kent County Coun-

There is also the general rise in the South East which arrived late in Kent, where property is still regarded as relatively cheap compared with the rest of the region. And despite the difficulties of rail travel, Kent is also growing attractions as a commuter

One fifth of Kent's working

Paul Cheeseright examines the commercial property market

### Elements of uncertainty

around £11.25 a square foot. In Tonbridge and Tunbridge Wells, according to Jones Lang Wootton, chartered surveyors, office rents surged 44 per cent in the year to last March, reaching £13.00 a square foot. In Maidstone the rise was 33.3 per cent to £10.00 a square foot. The office market, however,

This has partly come about because of the completion of the M25, which provides a has lacked the leavening of a developing business park sector. Plans for a new park near Dartford were thrown out by Mr Nicholas Ridley, the Environment Secretary. ronment Secretary, on Green Belt considerations. West Kent equally is ruled out as business park area for the same reason Development of this form of accommodation is thus likely to be dependent on three factors. One is the creation of B1 space (the category of space listed in the new Use Classes Order to denote properly best listed in the new Use Classes Order to denote general busi-ness accommodation) in the Enterprise Zones of North Kent, the subject of an accom-panying article. The second is the future of a planned park at West Malling where the Rouse Company of the US has been chosen as developer by the chosen as developer by the Kent County Council and the

rolling stock in the country. Thanet MPs Mr Jonathan Ait-

ken and Mr Roger Gale spent

some of the summer parlia-

mentary recess pressing gov-ernment ministers for major

improvements in both rail and

Despite planned and com-pleted infrastructure improve-

ments in anticipation of the Channel Tunnel, Kent's com-munications problems remain. Mr Wilkie says they have emphasised the existing divi-sions, which make West Kent

more accessible but isolates

East Kent from the develop-

ment boom taking place in the

The completion of the M25,

the improvements to the M2

and the proposed extension of the M20 to Folkestone all tend

to cut off East Kent, he says.

And that is reflected in the

considerable differences in the

price of development land,

which is rising very rapidly.

county.



third is the future of Ashford. Ashford has become the cen-tre of property interest in Kent. It has also become the

centre where planning tensions have reached a high pitch. For the Kent County Council, the town's situation the passenger

convenient catalyst for bring-ing about what has long been envisaged: the development of a focal point of economic growth in the east of the

Local politicians have been less enthusiastic and the argu-ment is being waged through the medium of structure plans and local development plans. Both Kant structure plan amendments and a new devel-opment plan for Ashford are winding their way through the consultation procedures.

Until they have been com-pleted the future of a plethora of proposals not only for business parks, but for warehous-ing, retail, leisure and residential property remains uncertain it seems likely, how-ever, that most of the major developments planned to exploit Eurotunnel will be unfinished at the time of open-ing, even if eventually they obtain planning consent.

There is a further element of uncertainty for the developers in the lack of definition by British Rail about plans for a new track, and if there is to be a new track, where it will be.

But none of this has pre-vented companies like North-ern England Devslopment Associates, Tilbury Gronp, Mountleigh and Rosehangh from actively seeking land acquisitions. Both NEDA, in association with Imry Merchant Developers, and Tilbury plan extensive business accommodation. Their plans also contain a substantial retail ele-

Ashford, like other towns in the county, has eather towns in the county, has attracted plans from developers for new cen-tral shopping centres and there is a proposal from Henry Lax for a 300,000 square feet proj-

Elsawbere, Capital and Counties is working on a new centre in Bromley, MEPC is active in Tunbridge Wells, Burton Property Trust will finish a Dartford scheme in 1989 and Specialty Shops and Ladbroke City and County have done a

As an indication of the pres-sure from retailers for new space, Debenham Tewson and Chinnocks, in a recent national survey of shop rents, noted that in Canterbury, Zone A rents moved up to £100 a square foot this year from £75

This degree of activity in the town centres is at least one reason why there has been so much controversy about proposals for major centres out-of-town. ARC Properties bad plans for a centre near Maidstone thrown out by Mr Ridley on the grounds that public amenities and agricultural land would be lost. Kent County Council has rejected Trafalgar House plans for another centre at Leybourne Grange, also near Maidstone. On the other hand Asda has

been more successful. What is going on here is a running dispute between developers and the green lobby. Local authority views vary according to the proposal. The main focus of contention has now moved to two proposals which reflect the importance of

The first is the Blue Circle Industries and Shearwater plan for a 1.25m square feet retail and leisure complex on disused quarry land outside Dartford. This has the support of the Dartford Borough Council but has been called in by Mr Ridley. The second is the Pruden-tial scheme for 1.05m square feet of retail and leisure facilities in the Green Belt near Orpington. Bitterly opposed by the Bromley Borough Council, the plan will be the subject of a public enquiry.

FOR A mere £550,000, the price of a luxury flat in Chelega, the seeker after space and convenience can buy Wichling Hall

A grand country house dating back to the 1750s, Wichling Hall has tennis courts that once provided practice facilities for Virginia Wade. It has six bedrooms, three bathrooms, four acres of immaculate gardens and an avenue of lime trees leading to the imposing front door. It also boasts stables and law stores bles and hay stores.

This haven is only 15 miles from Ashford, where the inter-national rall terminal for the Channel Tunnel will be built bringing the house within 90 minutes of Paris. By the time the turnel is due

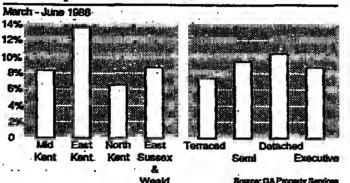
to open in 1993, Wichling Hall may well be fetching three times the present asking price. Residential property prices in Kent are empoying a boom, in the first six months of this year, prices in East Kent rose a

staggering 25.7 per cent according to GA Property Services, the largest estate agents in the area who produce regular surveys of monesty arrives. veys of property prices, nt was not far behind with a rise of 19.9 per cent,

contrasts of Kent, where it is still possible to buy a Victorian terraced house by the sea in Dover for £45,500. The same property would cost £76,000 in leasy Crambrook or £79,000 in Sevenoaks, which is largely a commuter town.

There are many factors cil, attributes it to less glamor-ous developments like the recent economic and jobs

population commute to London every day; although they have to travel on some of the oldest Tunnel adds to price surge House price increases



Channel Tunnel will move on

after 1992, and little is being

RESIDENTIAL PROPERTY

Ashford, which is the focus of development in the county, are now around £500,000 an acre; in Maidstone and Canterbury the price is £700,000; in Dartford £750,000 - but in some parts of Thanet it drops to £250,000 an acre. Most of the construction workers employed on the

done to provide them with accommodation in a county where less than a fifth of the property is publicly owned. Mr Wilkie anticipates a boom in the private rented sector to accommodate up to 30,000 Abont 3,000 people are directly employed on the Channel Tunnel project now, some of them highly paid and with substantial properties in or near London. Mr Wilkie has noticed that a small number of tbem are bnying £100,000 honses in Kent and keeping their main residence in the

expectation that both proper-ties will go on rising in value. So far, they have every rea-son to think so. Mr Byles points out that Kent is experiencing both an economic and property boom. He says a lot of people are attracted to move to Kent by the growing number of

The Medway towns of East Kent, the most deprived part of the county, had more than 70,000 out of work when unemployment was at its peak; the total has now halved to about 35,000. The implied new prosperity of the area is reflected in rising house prices with the half year figures confirming

the trend in the first quarter. In March this year, a three-bedroomed semi-detached property in Folkestone cost £70,500, a 21.6 per cent increase in three months. In neighbouring Hythe over the same period, the price of a detached house increased by 20 per cent to £120,000.

The influx of people to the county means increased demand for property. Kent is planning for 55,300 new homes in the 10 years up to 1996 under its recently revised structure plan. Estate agents believe that will not prove to he enough and Mr Byles at county beadquarters accepts demand at present is outstrip-ping supply. But the amount of building land available is strictly limited, not least because of London's green belt.

The county wants most of the residential development to take place in the Medway towns, which are beginning to recover from the job losses arising from the closure of the docks but where a second wave is expected as ferry jobs disap-pear. New jobs created directly or indirectly by the Channel Tunnel are not officially expected to match the ferry job

That view is not shared by Mr John Dresser of Black Horse Agencies' Geering and Colver, which has Wichling Hall on its books. He thinks industrial and commercial activity will increase with the Channel Tunnel, partly nel ports is already much bris-

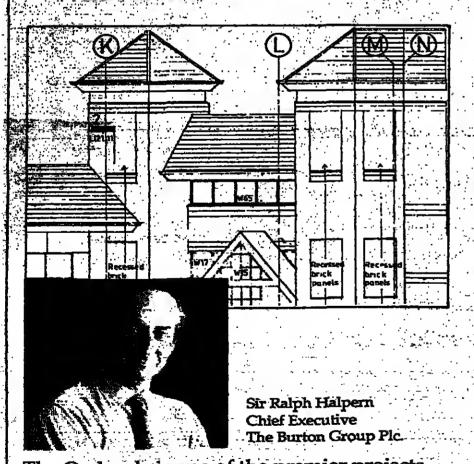
But he is more cautious about the prospects for residential property.

"The market was buoyant in the first six months of 1988 but we are detecting a quietening down of the market," he says.

change largely to the fact that the cost of borrowing has risen because of higher interest rates and to the ending on, August 1, of the double tax relief on mortgages. His, view was confirmed last week by the Royal Institution of Chartered Surveyors, which found from a survey of 185 estate agents that demand in the three months to the end of July was slackening in the South East in general, partly because of tax changes, but also because of the holiday

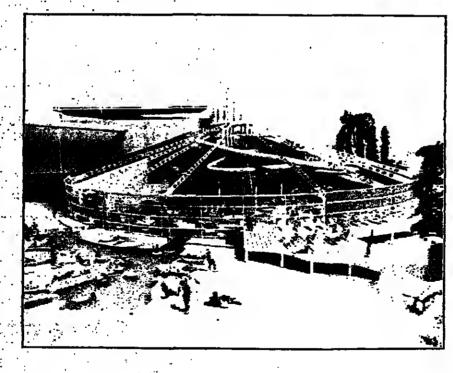
**Pat Healy** 

# DAKITUKU - ITIE FASIESI GROWING AREA IN KENT



The Orchards is one of the premier projects of the Burton Property Trust's Development Division. The Centre brings together the group's various nationally known fashion names, with super food stores and gourmet outlets.

Built as a Joint Partnership Development with Dartford Borough Council.



Dartford's Water World - a futuristic building featuring rapids, pools, caverns and jungle with flumes, chutes and slides.

Built as a Joint Partnership Development with Dartford Borough Council.

"... with investments of over £1 billion Dartford is at the heart of growth in the South East. Its unrivalled location alongside the M25 will be enhanced by the new Dartford Thames Bridge and the Channel Tunnel . . . " James Hehir - Chief Executive Dartford Borough Council.

Borough Council

DEVELOPMENTS

The Orchards Shopping Centre, Orbital One Industrial Park - A.L.P. Laing Homes - 427 Homes. Copperfields Shopping Mall. Sparshatt Jones - Mercedes Benz Dealership Victoria Trade Park - F.K.G. Wellcome Foundation - New Plant. Crossways Business Park - B.C.I. Dartford International Ferry Terminal -Ro-Ro link to Europe. Blue Water Park - B.C.I./Shearwater. Persimmon Homes - 450 homes. Greenhithe Marine and Housing - Crest Homes.

# Port of Dover prepares to defend its prosperity.

KENT MAY be best known as the Garden of England, but it also has a long maritime tradi-tion, centred on Dover, Britain's biggest port, and harbours than any other

Starting on the south shore of the Thames, a toor round the county's ports would pass through parts of the Port of London, the recently estab-lished Dartford International Freight Terminal (DIFT), and the Medway ports at Sheerness and Chatham, before reaching ports at Ramsgate, Dover, and Folkestone.

By way of diversion, the visitor might also call in at the small ports of Whitstable and Sandwich, now more famous for their tourist ettractions and seafood than their port activi-

Most of these ports have something to fear from the Channel tunnel, due to open in 1993, but the effects will vary of existing services to competi-

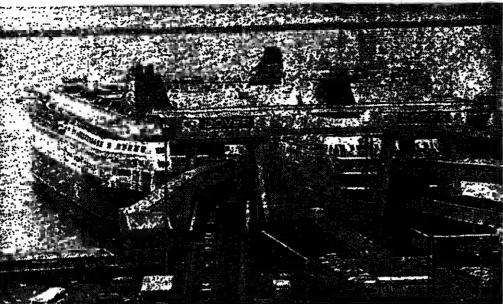
We've

For example, the Olan Line ferry service from Sheerness, on the Isle of Sheppey, to Vlis-singen, in The Natherlands, will not be in direct competition with the tunnel for traffic

But both tourists and freight companies may find it cheaper and quicker to make the short tunnel crossing and travel north on the Continent rather than make the long road jour-ney from the M2 at Sitting-bourne across the Kingsferry Bridge to Sheppey.

The container trade through DIFT and the Medway ports may also suffer, depending on the impact of the tunnel and the ability of the ports to attract non-tunnel business. On the other hand, the tunnel is unlikely to have much effect on traffic such as break-bulk, general cargo and forest prod-

Ramsgate, where port operations are split hetween the district council and the Finnish-owned Port Ramsgate company, could lose much of its car importing business, which transport co



The ferry terminal, at Dove

say is tailor-made for the tun-

Sally Line, a sister company of Port Ramsgate, has recently added an extra ship to its Ramsgate fleet, which serves Dunkirk, and shows no sign of

wanting to withdraw. However, its short-sea service will be in direct competition with the tunnel, and the company's fleet of older vessels may suffer by comparison with the fast and modern railway

Folkestone, owned by Sea-link Harbours, a subsidiary of Bermada-based Sea Containers, is likely to suffer severely from the tunnel. The Sealink service to Boulogne is thought unlikely to be able to compete either with the fixed link, or with rationalised ferry services from Dover to Calais.

Most of the concern about the future of the Kent ports has centred on Dover, the busiest roll on, roll off terminal complex in the world, which has already reduced its workforce by around 70 to 950.

The port fought for several years against the tunnel pro-posals, mostly through the Flexilink consortium of port year, and will probably wipe out forecast profits of £2.8m.

However, the dispute is now effectively over, despite contin-ued small-scale NUS picketing. and both passenger and freight traffic is virtually back to nor-

£70m investment programme intended to streamline roll on roll off capacity, and provide new general cargo facilities, before competition from the turnel reduces throughout in

Mr Jonathan Sloggett, Dover's general manager, remains sceptical that cross-Channel traffic will expand sufficiently to keep both the tunnel and the ferry operators in business, and fears a major reduction in farry services.

His strategy is to use reveinue over the next five years to repay the costs of the invest-ment programme, so that Dover will be debt-free by 1993, and in the best possible posi-tion to compete.

Meanwhile, the port is examining the possibility of diversification into areas such as property development and yacht marinas, which would probably have to be preceded by privatisation, probably

Union of Seamen and the local ferries subsidiary of the Peninaround 1990. Mr Sloggett points out that, once installed, port assets have a life of around 25 years, and gation group.

The dispute, which followed major cuts in manning as part of P&O's preparation for comsays his strategy would allow Dover to remain in business with as little as a quarter of its petition with the tunnel, will knock 25m off Dover's antici-

ferry ports, as they try to plan their response to the tunnel, is trying to forecast how their

customers, the ferry compa-nies, will react.

At this stage, five years before the tunnel opens, the best bet is that the only viable seaborne competition would be a combined shuttle service on the high volume Dover/Calais route, using new ships offering high capacity to operators and comprehensive facilities to pas-

Other routes would probably be mable to compete, although the Belgian Government might be prepared to increase its subaddies to keep the Dover/Zee-brugge services in business.
However, the impact on the ports will be spread over at least five years, and the tunnel will itself stimulate the local

The Kent Impact Study, car-ried out for the Government,

lost jobs in the cross-Channel industry could be as little as 500, and was unlikely to be more than 3,800.

Meanwhile, Mr Petar de Savary, the financiar, has announced plans for his High-land Participants group to establish a major new con-tainer and bulk port at the lale of Grain, on the Medway, at a projected cost of £55m.

The port would be estab-lished on 160 acres of a Tileacre site acquired for just £12m from British Petroleum. The site, formerly a BP oil refinery, has a 2,500 feet frontage on the Medway with three deep water

Mr Geoffrey Parker, High-land's managing director, said the port would have the capac-ity to handle 500,000 standard containers a year by 1998 -around 10 per cent of existing UK capacity.



### **Getting to work for Kent**

One of the county's largest employers, M&D operates over 300 buses throughout West Kent, getting people about their daily business.

With minibuses in urban areas, commuter services to London and leisure operations throughout the U.K. and Europe; M&D is making its contribution. to the growth and prosperity of the county - getting to work for Kent.

MAIDSTONE & DISTRICT Luton Road, Chatham, Kent ME5 7LH Tel: 0634 47334

### CALLIS COURT HOTEL AND CONFERENCE CENTRE

AN ELEGANT LISTED BUILDING EXCLUSIVE USE OF THE CENTRE AND ITS GROUNDS ON BOOKINGS OF IS OR MORE DELEGATES

First Class Accommodation with Reduced Rates at the Larkfield Ensuite Private Rathroom Leasure Centre

Day Conler Rates Available Special \*Fall English Breakfast \*Conference Room:

\*Conference Room; Natural Light A20 with easy Access to the M23, M26 and

\*Hard surface Tennis Court

\*Three scres of

4

FIA

\*Buffet Lunch \*Fruit Cordials on Table

CALLIS COURT, LONDON BOAD, WEST MALLING, KENT, MELT SAN.
Tel: West Mailing (0732) 841788/847113 Fax No: (0732) 848811

SALES - HIRE - REPAIRS OF LIFTING TACKLE CRANES, RUNWAYS AND STRUCTURES ETC MANUFACTURED

SITE TESTING AND INSPECTION TO COMPLY WITH HEALTH AND SAFETY AT WORK ACT, AND INSURANCE REQUIREMENTS. LARGE STOCKS OF LIFTING GEAR INCLUDING CHAIN SLINGS, WIRE ROPES, JACKS ETC.

### SAFE WORKING LOAD LTD.

UNIT 3A NEWTOWN WORKS NEWTOWN RD. ASHFORD, KENT. TEL (0233) 36738/9

Door to porte Transfesa

Door to tur

Door to tur

Door to tur

Door to mark to boor to door Door to Porta Door to deur Door to dor Paddock Wood, Kent 089 283 5311

1588 - F Drake defeats the Spanish fleet 1988 - FTA beats the drum for Britain's transport fleets

FREIGHT TRANSPORT ASSOCIATION - MOVING WITH THE TIMES Hermes House, St John's Road

Tunbridge Wells, Kerit. Tel: (0892) 26171 Fax: (0892) 34989 Bristol, Dudley, Leeds, Stirling

CORPORATE & INDIVIDUAL CLIENTS from INDEPENDENT CHARTERED SURVEYORS

PROFESSIONAL PROPERTY ADVICE

BASED IN KENT MICHAEL PARKES

Longley Road, Rainham, Kent MES 7RU Telephone: (0634) 379988 Fax: (0634) 377709

got it right LEISURE INDUSTRY COMMERCE RETAIL For full details of the City Council's new. economic development initiatives please Mr. B. J. Macrae. Tourism. Publicity & Economic. Development Officer: Canterbury City Council. Military Road. Canterbury CTI 1YW Canterbury (0227) 763763

### **ASHFORD KENT**

MAJOR DEVELOPMENT **OPPORTUNITIES UP TO 100 ACRES** 

Contact Peter Mantle, Michael Cleall or Nicholas Rivlin

Jones Lang Wootton

# Expanding for new traffic

KENT HAS two airports, both of which are keen to expand to don airports and take advan-tage of extra traffic generated by the Channel Tonnel. Kent International Airport,

formerly known as Manston, is hoping to attract substantially increased passenger and freight traffic to its improved facilities near Ramsgate. KIA was given a significant boost earlier this year when an agreement was concluded with the Ministry of Defence allow-

ing for development of civilian aviation at Manston. ston remains a Royal Air Force

base, but KIA has taken respon-

KIA has leased part of the Manston side, and is develop-ing a new passenger terminal, together with freight ware-

houses and aircraft servicing

KIA believes that many of Kent's 1.5m people would wel-come the opportunity to begin their holiday or business flights from within the county, rather than driving to Gatwick.

Heathrow or Luton. The airfield has long been a diversion base for civil airlines in bad weather, and boasts a 9,000 ft runway with parking

or similar sincraft. The development plan drawn

sibility for all ground handling up by RIA provides for a pas-of civil aircraft. up to senger terminal offering up to 25,000 square feet of space, capable of accommodating up to 500 passengers at a time. This means that a mix of airliners from Boeing 737s to Boeing 767s could be handled with-

and ferry operators, and

expects to lose a large chunk of

its freight and accompanied car traffic, and virtually all

foot passengers. Dover has also suffered

heavily from a prolonged dis-pute between the National

sular and Oriental Steam Navi-

pated turnover of £36m this

KIA already has a through-put of more than 20,000 tons of air cargo per year, and expects a new 30,000 square feet freight terminal to attract significant extra business.

The strategy is to try to attract both a share of the projected growth in the air freight industry, and to benefit from tion in the air freight market century.

Lydd Airport, on Romney Marsh, is seeking to develop a number of specialist markets, including small parcels husi-

.The idea is that the airport would develop as a centre for air express companies, which would fly in cargoes which could be sorted on site before being dispatched through the Channel tunnel for distribution

throughout Europe.

Lydd also hopes to promote itself as the arrival point for inward charter flights carrying groups of tourists. One survey identified potential for 389,000 engers per year, rising to

**Kevin Brown** 

A decision on the rail link with the Tunnel must wait till 1990

### BR accused of running late

IT IS likely to be at least two years before the people of Kent know precisely what the effect of the Channel Tunnel is likely to be on their rail services In the short term, British Rail plans to spend £580m on

stock, and improvements to the existing line from Waterloo to the turnel portal at Cheri-

There are also plans for an international terminal at Ashford, where some through trains will connect with other UK services. But the board will not take a decision until 1990 at the earliest on whether to go ahead with one of four options for a dedicated high speed link for 180 mph trains.

BR has been heavily critic ised by Eurotunnel, the consor-tium which will operate the fixed link, for failing to capitalise on the opportunities for immediate 180 mph running

when the tunnel opens in 1993. Eurotumnel points out that SNCF, the French state-owned railway authority, is spending around £1.2hn on a high speed line from Paris to Lille, with a spur to the tunnel, which will be ready when the first tunnel traffic starts rolling. traffic starts rolling.

The effect of this is likely to be that trains from Paris will

travel at an average of 145 mph to the mouth of the tunnel, but at an average speed of only 60 mph from Cheriton to London. Sir Robert Reid, BR chairman, has pointed out that the English section of the journey is much shorter than the French section, and that the environmental problems of constructing a new line are greater in densely populated

Kent.

Mr John Weisby, HR's board member for the Channel Tunnel, has also sought to allay fears by pointing out that the corporation's plans to apgrade existing track would allow trains to leave Waterloo at a rate equivalent to one Jumbo jet leaving every 10 minutes.

BE insists that its existing lines will give it plenty of capacity to cope with tunnel-related traffic for at least five years. However, this assertion relies heavily on the results of the corporation's own traffic forecasting, which is regarded as conservative hy some observers.

BR figures suggest that the number of passengers that the hing through the tunnel in 1993 will be 13.4m, rising to 17.4m by 2003. This would avoid capacity problems until the end of 1997.



Mock-up of a first class carriage for the Tunnel route to Europe

would cause capacity problems as early as 1994.

Dr Roger Vickerman, director of Kent University's Channel Tunnel Research Unit, says the figures should be treated with caution, since they are based on different reasearch methods, and are not directly compatible. compatible.

It also has to be remembered

that it is in Eurotunnel's legiti-mate commercial interests to exaggerate probable demand in order to put pressure on the Government and BR to finance improved rail links.

However, Dr Vickerman says that even when these points are taken into account, the higher femants are likely to

higher forecasts are likely to. be nearer the mark than the "BR's forecasts are based on very standard methodology,

and let's face it they have

"They are being vary ostrich-like about it. They don't seem to have taken on board the possibility of attract-

Continued on page 5

By contrast, estimates produced for Eurotunnel suggest that initial traffic will be 16.5m passengers, rising to 21.4m over the same period. This would cause capacity problems

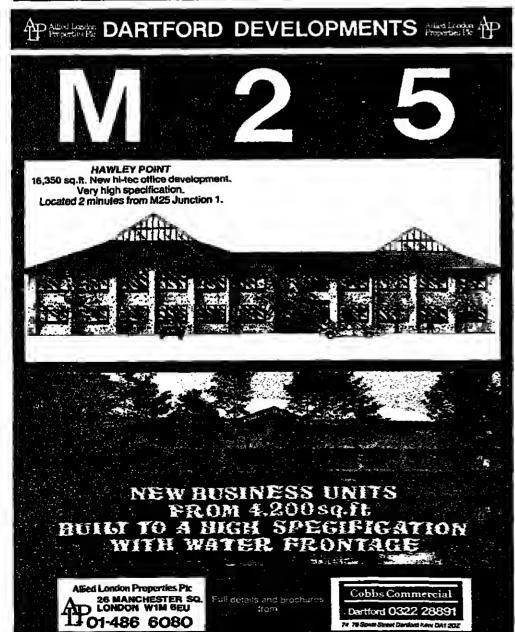
almost always been wrong on the past on traffic estimates. They have a long history of underestimating potential traf-fic," he says.

board the possibility of attracting or creating new markets as well as taking business from the airlines and ferries.

"Of course, they have to be able to justify any investment commercially, but that comes back to how you do the figures."

It is possible, though unlikely, that BR's rejuctance to invest in high speed capacity will provide a gap for a private sector solution.

Trafalgar House, which is part of the consortium which is building the tunnel, has indicated that it is studying this possibility, but it is not clear how a private line would work, then the high ground willing the product of the production. since the high speed rolling



Pat Healy finds Kent farmers and growers in unhappy mood

### Grinding of teeth as well as corn

KENT FARMERS are gathering in their harvests with a sense of relief that crop failures in the United Sta appear to have averted the seriously depressed cereal prices they had been expecting. But all is not happy in the Gar-

But all is not happy in the Garden of England.

There is a widespread feeling among the declining number of full-time farmers in Kent that they are blamed unfairly for the excesses of the food mountains of Europe and that there is no longer any understanding of their difficulties at the highest levels.

new breed in the Cabinet have much sympathy towards farmers," says Mr Jack Ward, assistant county secretary of the local National Farmers' Union.

Some of the reasons are clearly not peculiar to Kent, but the effects of measures by the European Community to the European Community to reduce surpluses. The results have included lower produc-tion, reduced farmers' incomes and an increase in the num-bers leaving the land. Last year, of Kent's 5,080 farmers, only 3930 were full time, and the county has only

time, and the county has only 270 dairy farmers left. Farmers' incomes dropped by an average of 4 per cent in real terms between 1986 and 1987 and there are fears that new mea-

sures will continue the fall: One of Kent's best known crops has already suffered a "major disaster" because of Britain's membership of the EC. The legality of the Hops Marketing Board was queried by the EC and has now been disbanded. Hops themselves have been badly affected - and these days many of the oast houses you pass when driving down Kent roads are likely to have been converted into accommodation for the expand-

ing tourist trade.

Now resentment is growing among farmers about the tax on cereal production - the coresponsibility levy - which is due to rise in January and is expected to hit intensive live-stock feeders' costs.

3/57R/C

URT

· Fact of the last

T 13

In Kent, 38 per cent of the land is in the top two grades

opportunities to the South East.

Managers below.



One of Kent's most famous grops - hope: suffering from EC membership

tural use, and more than 92,000 hectares are in cereal produc-tion. Very few Kent farmers want to use the "set aside" payments being offered by the Ministry of Agriculture for reducing their cereal acreage.

Cynical growers; according to the Kent NEU, are congratulating the British Government for introducing a scheme "so inferior to that available within the rest of the EC that

the UK cereal acreage will remain virtually unchanged." But what is changing is the attraction of farming as a career, reflected in the declin-ing labour force. In Kent, 22,342 people, including 131 youth trainees, work in agriculture less than half the number employed in tourism. Technological changes are partly to blame - the 300-acre-farm run by former NFU county secretary John Jen-

nings used to provide enough work to support 17 families but can now sustain only three. The effects are clear. Mr Ward says there is already such a shortage of people willing to go on to the land that farmers are looking round

MAKE YOUR BUSINESS

**GROW IN THE** 

GARDEN OF ENGLAND.

this area, Barclays have established a network of Business Centres.

who are readily available to discuss all your business requirements.

BETTER OFF

TALKING TO

PAT FITZGERALD, ASHROED (0233) 33577, NEGEL SPUELING, CANTERBURY (0227) 451789.
MIKE BRYAN, DARTFORD (0322) 23400. BOB PEARSON, POLICESTONE (0303) 58577.
WILL MATHER, MAIDSTONE (0622) 54333. ALAN CORNISH, ROCHESTER (0624) 461561.
DEREK EVANS, SEVENOAKS (8732) 459995. JUN HEDGES, TUNBRIDGE WELLS (0892) 40244.

BARCLAYS

1992 and the opening of the Channel Tunnel will bring great

To meet the increasingly sophisticated needs of business in

They are managed by experienced corporate banking teams

Por further details contact one of the Business Centre

YOURE

A CROSS MARKS

THE SPOT FOR YOUR

COMPANY'S FUTURE.

**CROSSWAYS** 

**BUSINESS PARK** 

Crosswegs is the dynamic new Business Park

Full Details from:

entely 11,000 sq ft to 51,000 sq ft gross ready

places they have on offer. He forecasts that before long there will be a serious shortage of good agricultural labour because it is no longer an attractive industry to young

There are also other warning signs on the horizon because of the development boom in Kent. Ashford, a designated growth area, has taken out more agri-cultural land than the Channel

Tunnel, according to Mr Ward. Former farms have already provided a 2,000 acre site for a joint shopping, housing and business development and a 600 acresite for a scenic park. At least one farm in the area is going derelict because of the prospect of selling the land. Ward says one developer has £30m to spend in the area and with farm land fetching £500,000 an acre, it is not sur-prising, but depressing that farmers should respond that

Some farmers, though, are their "lack of clout" by form-ing co-operatives. It is already a well established trend in horticulture in Kent, which has expected to remain in agricul- for students to fill up the more commercial orchards and rest of industry will face in 1992 because they have had to learn to live with the free market. Kent growers think of themselves as toughened and hardened - and some are even managing to take an unexpected advantage of the entry of Spain to the Community.

A number of Kent farmers have gone so far as to buy up "bits of Spain" in order to grow strawberries outside the nor-mal season. Despite the gradu-ally rising standard of living in the newer member states of the EC, they still have significantly lower labour costs. Even so, "it takes a lot of nerve and oney and it is a major gam-

ble," Mr Ward notes. He says the biggest danger from the EC is "that we might get flooded with apples" because parts of Europe have much longer sunshine, more "relaxed" labour legislation, lower safety standards and lower labour costs. The Kent apple crop is below average this year because many orchards were hit by hail damage earlier this year.

Growers are particularly alarmed that the Government is now proposing to cut its own contribution to horticultural research and development at a time when they anticipate greater competition from

Mr Ward says it is all part of a determination to cut back on agricultural spending and to allow the industry to float and find its own level. Government, he says, is providing no direc-tion, but is expecting it to emerge as a new revitalised industry. Noone knows what form it at will take and, he forecasts, provided the food supply remains good, little interest will be taken. Kent farmers will continue to grind their teeth as well as their

### **COAL INDUSTRY**

### Old spoil in new use

IN THE late 1950s, over 7,000 workers were employed at the Kent collieries. Today only one pit. Betteshanger where around 700 people are employed, remains open and British Coal is now faced with the task of bringing some semblance of environmental resto-

ration to the area. The options are few but the corporation has at least made a start. In June, British Coal announced that 1 million tonnes of spoil from the pit at the old Snowdown colliery, near Aylesham, Kent, are to be used in construction works associated with the Channel Tunnel,

trainloads of spoil will leave the colliery sidings to be delivered to a temporary rail head at Sevington, near Ashford, and then by lorry to the Folkestone terminal for use as bulk sill in the building of

embankments and road. Trains will leave at the rate of up to four a day over the next year, passing through Dover and Folkestone station on route to the Sevington rail head. The scheme has been approved by Kent County Council. Snowdown colliery ceased coal production five years ago. Since 1983 some 223m has been spent on trying to reach new reserves. Shafts have been silled and the winding headgear dismantled. But there still remains about 6 million tonnes of minestone left

from almost 70 years of coal

be carefully removed so that regrading will allow the profile of the tips to be lowered and blend harmoniously with the surroundings, according to British Coal.

Minestone comes from the rocks adjacent to the coal seams, and for many years it has been approved by the Min-istry of Transport for road con-struction. It is also widely used as a bulk sill in a variety of

British Coal is now faced with restoring the environment

was among the first counties to recognise the value of using minestone, and considerably quantities have been used on projects such as Pegwell Bay Hoverport, Sheerness loading areas, Sandwich Coast Protection and for many road

More recently, British Coal has been able to persuade Stee-tley Brick and Tile, one of the largest UK brick makers, to take part of the old disused Til-manstone Colliery as a site for a new brick works. The profits generated over the next 15 years could be the order £29m. and the works will provide employment for 40 to 50 people. It will use colliery spoil at

tha rate of 100,000 tonnes a year. That will meant that the

The environment for successful investment

depleted quite rapidly to make it ready for a restoration programme for the area.

"We are talking to Kent County Council about the pos-sibility of using the other sec-tion of the Stilmanstone site for a domestic waste disposal project. That will serve the whole of the east Kent area, says Dr. Keith Rainbow, head estone Services at Brit ish Coal.

may not sound very attractive, it is in fact essential to the livelihood to Kent Country Council, because they desper

ately need new sites. We are talking about purely surface storage. They will so that they can put their domestic waste into it. There will no underground storage.\*

British Coal has a policy of using its land only for domestic waste. Hazardous and toxic waste cannot occupy space

owned by British Coal.
"If people start to put such
things in our underground vold, then it would cause very serious environmental pollntion, discharges into the water

courses, and so on.

We are very careful to see that this does not happen. We have a national policy whereby underground mine working will not be used by other companies for waste disposal," Mr Rainbow adds.

**Boris Sedacca** 

### **Running late**

the largest small fruit crop of

any county in Britain.

Probably the largest apple growing cooperative in Britain is established at Canterbury.

partly in response to the demands of the public as

expressed through food buyers from the supermarket chains. Marks and Spencer, in particu-

lar, has made many growers

realise that if the product is not the right shape and size people won't buy it. The atti-tude that they should be left alone to grow what they like is

fast disappearing.
The reliance of Kent farmers

on crops that have no subsidy

has been a factor in the growth

of horticultural cooperatives,

but so has the competition from the enlarged EC. Some

commentators believe that

Kent's fruit growers have already implemented what the

It is more likely that BR will be prevailed upon to speed up a decision on its four options, so that its own dedicated route

However, BR says planning, development and construction would take at least eight years,

In practice, it could take even longer. BR will seek to proceed by way of a private Bill in Parliament, which

certainly feel obliged to mount a strong campaign in defence of local communities on the chosen route. There is also strong environmental pressure from organisations such as the Wesld of Kent Preservation Society and the East Ashford

Rural Trust.

ER puts the cost of a new link at between £750m and £1,200m. The route options it has put forward are:

 Bromley, Swanley, Long-field, Snodland, Hollingbourne, Charing and north of Ashford. Bromley, Swanley, Borough Green, Marsden Pluckley, and south of Ashford.

 An upgraded version of the existing boat train route via Orpington, Sevenoaks and Tonbridge. BR says it is unlikely to pursue this route because of cost and longer journey times.

None of this will bring much

relief to commuters on BR's notorious Southern Region services into Victoria, London Bridge, Cannon Street, Water-

loo and Charing Cross. The Central Transport Consultative Committee, the statu-tory British Rail watchdog, recently included the North Kent line as one of a number of

BR claims that the position will improve when its new Net-worker stock is introduced in

# and north of Ashford.

stock will be owned jointly by BR, SNCF, and SNCB of Bel-

could be built more quickly

so that such a line could not open until 1996 even if a decision was taken today.

would avoid lengthy pl inquiries.
But Kent MPs would almost

Sidcup, Longfield, Snod-land, Hollingbourne, Charing

BR services on which over-crowding had become unac-ceptable, and other lines are almost as bad.

the early 1990s, but even these trains will not help some of the longer distance commuters.

### **Building from Experience**

Established in Kent in 1810, the reputation for quality building and service has enabled the Group to establish branches throughout the U.K. and Overseas.

But we never forget our roots.

For e copy of our Group brochure, please contact the address below.

JOHN E WILTSHIER GROUP PLC Group Marketing Office 115 Shaftesbury Avenue, London WC2H 8AD Telephone: 01-437 5611 Telex: 21828 WILTUK G Fax: 01-734 0334

Canterbury • Darlington • Glasgow Homel Hempstead • London • Winchester and Overseas.

### ASHFORD KENT

2.3 ACRES FOR SALE OPPOSITE INTERNATIONAL **PASSENGER STATION** 

SUITABLE FOR OFFICE OR HOTEL DEVELOPMENT



**Property Services** 

0233 624321

# NEWCASTLE 120m people LEEUS IVERPOOL NAMCHESTER BIRMINGHAM AMSTERDAM LONDON COLOGNE BRUSSELS GENEVA

Kent offers the tourism and leisure industry a unique investment package:-

- unrivalled access to an increasingly substantial and affluent leisure market for both domestic and foreign visitors
- growth opportunities stimulated by the Channel Tunnel, improved motorways and rail services and the introduction of the Single European Market in 1992
- business and financial opportunities only available in this part of the South East of England

All this in a unique environment of superb countryside, coast and historic towns.

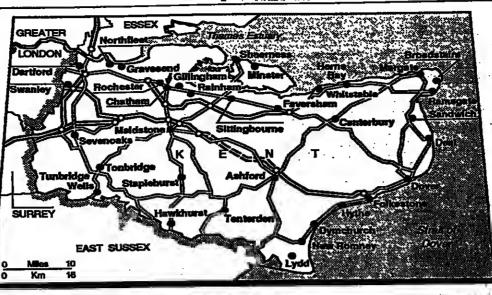
Kent offers a wide range of attractive sites and the active support of both the County and District Councils for the right investment.

### Interested in being part of Kent's success?

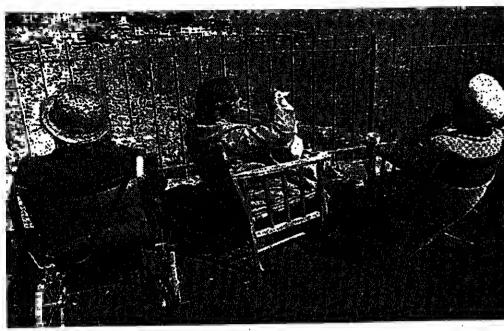
Contact John Hughes at the Economic Development Department, Kent County Council, Springfield, Maidstone, (0622) 671411 ext. 3087 for our information portfolio on tourism and leisure opportunities and market information.

Kent Tourism and Leisure



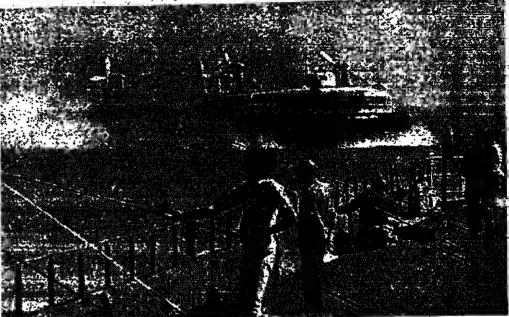


The Cathedral, Centerbury





ns of Kent: (left) sunbathing in Broad stairs; (above) the imposing grandeur of Dover Castle; and (right) fishing from Dover pier.



EVERY SUMMER, early morning radio broadcasts warn motorists intending to board ferries to Europe to allow extra time for their journeys because the roads are packed. The warnings coutinue

despite recent improvements to the M2 and M20, the motorways for Dover and Folkestone, Britain's busiest Channel ports. Access is still a big obstacle to developing tourism in Kent

Alan Coppin of Peat Mar-wick McLintock, the management consultants brought in to help develop a new tourist ini-tiative for Dover, knows the problems well because he lives in Kent and commutes daily to

He points out that the completion of the M25 and the other planned and completed road improvements make West Kent easier to reach, but do not help East Kent which contains most of the county's tourist accommodation. More than 10 per cent of the working population in East Kent have jobs connected with tourism, twice the proportion in West Kent.

Rail links leave much to be desired, too. The fastest train takes 1% hours to travel the 70 miles from London to Dover only 15 minutes less than the journey time to York, which is three times the distance. There are two trains an hour from Victoria, and one involves a

change. Nevertheless, aggressive marketing has attracted 200,000 people a year to the Bemboms theme park at Margate in East Kent, so poor communications are not an insuperable barrier. Tourism is a major industry

in Kent, employing 50,000 people and contributing more than £240m a year to the local economy. Of the total, 40 per cent comes from overseas visitors within three hours drive of

Pat Healy explains the county's efforts to boost its tourism

# urn right to a rich heritage

who stay an average of 6.6 nights and spend an average of £160 each.

Every year 4m people spend at least one night somewhere in Kent, which thrives on its image as the "Garden of England". Half of the visitors are from the rest of Britain and threequarters stay in the traditional seaside resorts of East

But tourism faces an enormous challenge because of the Channel Tunnel. By 1993, the tunnel and the road developments associated with it on the Continental side are expected

By 1993, the Tunnel and associated road developments are expected to bring up to 30m Europeans within three hours drive of Britain

Britain. Although London is assumed to be the main focus for the extra tourist traffic this will generate, Kent is hoping to divert a large proportion of it to spend some time within the county. There are considerable

Much of the county's tourist accommodation is based on the patterns created by day-trippers from London 30 or 40 years ago, rather than the more sophisticated tastes of European travellers from both

home and abroad.
Nearly half of the tourist accommodation in East Kent lacks en suite facilities, and the county is well aware that there is an urgent need to upgrade accommodation. Persuading private hoteliers and guest house owners to do so is diffi-cult: one proudly introduced a local councillor to what he thought was an upgraded bed-room. He had installed a lavatory in the bay window of the

France. Enormous sums are France. Enormous sums are being spent on new tourist attractions in the Nord region which has the second highest unemployment rate of any French region and therefore faces political pressure to develop new industries and jobs. Unlike Kent, the Nord region can call on considerable

the tunnel, and a pirates theme park at Dunkirk. Kent needs similar initiatives if it is not to

lose out: "What we need," says Tim Byles, head of the economic development unit at Kent County Council, "is to give people a reason to turn right at Dover."

The need to do so is clear. Dover now receives only 225,000 to 250,000 visitors each year, although 14m passengers travel through the port, giving the town "distarbingly little benefit", as the British Tourist. Authority put it in March, in a report assessing the tourist impact of the tunnel

At least 20 per cent of all At least 20 per cent of all room. There was no screen.
As well as access and accommodation problems, Kent also faces strong competition from them coming through Dover.

But of 17m foreign visitors in arrive via Kent ports, most of them coming through Dover. But of 17m foreign visitors in 1986, only 640,000 stayed in

Among the ideas canvassed by the six East Kent district councils and the tourism sub group of the county council last year was an attraction on the scale of the European Disregiou can call on considerable funds for development from the French Government and the EEC.

Proposed davelopments include a national sea centre at Boulogne, a leisure park on the scale of the European Disneyland planned for the outself the European Disneyland planned for the Outself planned for the European Disneyland planned for the Outself planned for the European Disneyland planned for the European Disneyland planned for the European Disneyland planned for the Outself planned for the European Disneyland planned for the European Disney

But there are plans to develop a heritage centre in Dover on the lines of the Jorvik Viking Centre in York. It would form part of a "heritage trail" through Kent, including the new Pilgrims Way at Canterbury which attracted 300,000 in its first year of operation, and leading on to a \$900,000 development in the Pentiles in Tunbridge Wells, due to open in 1990. The latter will take as in 1990. The latter will take as its theme the Regency dandy Beau Nash, around whom there will be an exhibition

entitled "Beau Nash Remi-nisces: a Day at the Wells." Dover Castle is being upgraded and will form part of the big celebrations being planned for the 50th anniversary of D-Day. Another impor-tant war time base — West Malling airport which was vital to the Battle of Britain will not be available, however:

A business park is being developed on a 500 acre site there.
There are also possibilities for developments of the Wellington dock area and an inno-vative attraction based on Dover gaol. But proposals for. the future of Dover will not be finalised until later this year. Although efforts by Dover dis-trict council to upgrade the castle and improve the town have been acknowledged, there is still some scepticism about its future.

its future.

The BTA commented: "It is going to be a long, hard haul to upgrade to heritage town status what is a rather workaday place; to change ingrained per-ceptions of Dover in the domestic market; or to persuade

its traditional areas intact

the achievement will have been substantial. Its leaders

know that it is poised delicately between success and failure. The next few years will

be watched closely, if not envi-

incoming tunnel users that they should back-track along the coast."

Perhaps, but the will to do so is there. Kent County Council is proposing to upgrade a hotal in the Thanet district as a demonstration of what can be done, and offering loans to finance similar improvements. And there have been dramatic improvements in recent years in the standard of restaurants of the kind that will attract the growing trade of tourists spending short breaks in Kent.

### MAKE IT YOUR **BUSINESS TO BE** IN DOVER

2.5

2000

A2 . . . .

52 : .

٠...

23 . . . 21

D: 20 60:4

pings sam

5 m. 1

Kent is set for dramatic change. Dover is eager to meet that challenge. The Channel Turinel

means prosperity. Dover means business. And if you mean business, your choice must be Dover.

It would be no exaggeration to say that Kent is on the brink of an

In just five years, the Channel Tunnel will be open. And by then, the European Community will embody well over 300 million people in one single market. Dover and its surrounding areas-known as White Cliffs Country-are fully aware that massive change is on its way.

Kent will become a key factor in re-writing the economic future of England. And Dover is taking that challenge seriously.

mar cuanenge senously.

The area is seen to be ideal for industry and commerce. Close to the turnel terminal and with good road and rail links to the rest of the country. Dover will, of course, remain the major ferry link to the continent.

Successful businesses will choose to expand in areas with labour availability and accessibility to their major markets.

White Cliffs Country has these plus the backing of a District Council which is firmly pledged to welcome new companies and encourage expansion in every way

Dover District is designated as an employment priority area by the European Coal and Steel Community which makes available cheap loans to expanding business and industry.

Quite apart from the exciting development potential - and it is enormous - White Cliffs Country offers a commodity that is equally as hard to find - quality of life. The district is rich in beautiful country-side and attesped in history. And the response to the current campaign to promote White Cliffs Country indicates that there is even greater potential that there is even greater for the tourism industry.

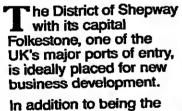
Dover is moving with the times. And so should you. Make it your business to be in Dover.

For more information, please telephone Roger Madge at Dover District Council on 0304 821199.



Dover · Deal · Sandwich

**TAKING OUR PLACE** IN EUROPE



chosen location for the future channel tunnel terminal, the area already boasts fast sea, road, rail and air links to other parts of Europe and the UK.

Add this to the immediate availability of factory/ office premises, "greenfield" development sites, excellent local labour resources plus



superb quality of life, and it's easy to see why now, more than ever, Shepway is the right place at the right time.

For Information Pack Telephone: 0303 44836 (24 hrs) or write too-The Marketing Department, Room 607 Shepway District Council, Civic Centre.

**FOLKESTONE** 



e, Kent CT20 2QY, England

BERLAAR BREE BRUGGE BRUXELLES BUGGENHOUT BALERNA BALLWILL BASEL BELLINZONA BERN BEROMÜNSTER BIEL BREITENBACH BURGDORF BACKNANG BADEN-BADEN BAD HARZBURG BAMBERG BARMSTEDT BAYREUTH BECKUM BERGEN BERLIN BETZDORF BIELEFELD BOCHOLT BOCHUM BONN BOTTROP BRAUNSCHWEIG BREMEN BREMERHAVEN BURGDORF BIRKERØD BADAJOZ BARCELONA BILBAO BURGOS BARI BERGAMO BOLOGNA BOIZANO BRESCIA BRESSANONE BRINDISI BUSSOLENGO BRAY BERGEN BODØ BRANDBU BADHOEVEDORP BALKBRUG BEDUM BERGEN OP ZOOM BEVERWIJK BERKEL EN RODENRIJS BEVERWIJK BLERICK BORCULO BREDA BRUNSSUM BUSSUM BEJA BORAS BROMMA BEOGRAD BATAJNICA BEOGRAD BREZICE-DOBOVA BABBACOMBE BACKWELL BAGSHOT BAGULEY BAKEWELL BALDOCK BAMBURGH BAMFORD BAMPTON BANBURY BANSTEAD BARBON BARFORD BARMBY MOOR BARNARD CASTLE BARNET BARNHAM BROOM BARNSTAPLE BARROW-IN-FURNESS BARTON BASILDON BASINGSTOKE BASLOW BASSENTHWAITE BATH BATTLE BAWTRY BAYCLIFF BAYDON BEGODISHED BEARE GREEN BEAULIEU BECCLES BEDDINGHAM BEFORD BEESTON BEARLEY BERKHA BARDOR BERWICK-UPON-TWEED BEMBRIDGE BERKELEY BERKHA BENBRIDGE BERKELEY BERKHA

### All locations have some advantages... some are better than others.

(If you want to be strategically placed for Talk to us about business London, Kent and the South East) Ring or write to:
Economic Development Unit

development proposals, land and property availability for industry and commerce, financing expansion, planning and employee bousing and the wide range of assistance available.

Station Road, Sideup, Kent DA15 7ET. Tel: 01-303 7777

A tunnel in the Garden that it benefits while keeping

from page 1 mer, is already planning trade delegations and will shortly receive a delegation from Lille. Evidence of the expected attractions of the business environment in Keut comes from the number of business consultancies moving in. Some accounting firms have beeu

there for some time, but it is noticeable that they are now gearing up their activities in preparation for the expected growth in start-ups, and help-ing smaller companies to

If Kent has its way - if it ously, by the rest of Britain can cater for the changes so and the Continent.

**NORTH KENT** A beautiful move for high tech companies

Attractive quality riverside offices and high technology units in a thriving community only 45 minutes from Central London and

the European ports.
For further information contact:

Telephone: Medway (0634) 732716 The Medway & North Kent Enterprise
Office, Civic Centre, Strood,
Rochester, Kent ME2 4AW.

Telex: 965801 — Ansaback Rocmed
Fax: Medway (0634) 732756